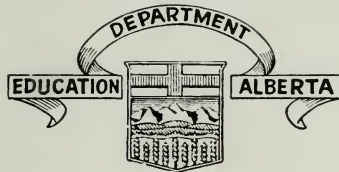


Nola Garneau

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Classroom Bulletin

on

Social Studies

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FOREWORD

This Classroom Bulletin has been prepared to assist the teachers of Social Studies in their selection of topics in current history. It deals specifically with recent developments in the United Nations, and with the important domestic affairs and foreign policy of the Soviet Union and three of the Western democracies — The United States, Great Britain, France—during the past few months. The listing of prominent political leaders in Canada and other countries has been brought up to date, as of September, 1953. Brief sections have been added on recent Canadian industrial developments in British Columbia and Ungava.

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SOCIAL STUDIES 3 — CURRENT HISTORY SINCE THE CLOSE OF WORLD WAR II

The course in Social Studies 3 includes a study of the principal events since 1945. The revised edition of Senior High School Bulletin 2, Prescribed Course in Social Studies 3, provides the authorized outline for this course. Copies of this new issue of Bulletin 2 (September, 1953) should be in the hands of all teachers of Social Studies 3, and should be available to their classes. Historical developments since 1945 are outlined in Bulletin 2, under the following headings:

SUPPLEMENT, FOLLOWING PART III

HISTORICAL DEVELOPMENTS FROM 1945 TO THE PRESENT

- A. Establishing a permanent international organization to maintain peace.
- B. The Soviet Union and Russian satellite countries.
- C. The Western Democracies.
- D. The Far East.

AN OUTLINE FOR CURRENT EVENTS STUDY FOR 1953-54

SOCIAL STUDIES 10, 20 AND 3

Continuing with a practice which has been followed for the past several years, this first issue in the school year presents a suggested outline of significant current movements and problems around which important current events during the year will in all probability center. Those who made use of the Bulletin outline last year either by following closely the items listed or by using it as a guide in making up their own outline may welcome assistance this year.

The following objectives of current events study should be kept in mind during the school year:

1. To supply vital information.
2. To develop an intelligent outlook on daily events at home and abroad as they affect us as Canadian citizens.
3. To give meaning to our concept of citizenship.
4. To understand the purpose and to kindle a critical appreciation of our governments.
5. To learn how foreign relations are conducted.
6. To appreciate Canada's position amongst the nations of the world.
7. To discriminate between reliable and unreliable sources of information.
8. To acquire high ideals respecting human conduct and to support high-principled efforts wherever they are found.

The Outline:

NATIONAL

1. Federal and Provincial Affairs: important political developments at Ottawa and the provincial capitals.
2. Canadian Participation in the Korean War: The sending of Canadian armed forces to Korea; Canada's part in the efforts to end hostilities. The efforts to strengthen our system of national defence; the civil defence program; the economic controls applied to conserve our supplies of strategic materials; the measures adopted to control inflation; our co-operation in defence problems with other countries, e.g., the United States.
3. The Consumer Price Index: The general trend of commodity prices; the effect of the rising cost of living upon the demands of wage earners; the policy of the government concerning this situation.
4. Federal and Provincial Social Legislation: New legislation and amendments to old legislation dealing with social and economic security.
5. Labor Problems in Canada: Labor disputes which might occur, and their settlement; the balance between demand and supply in our labor forces; immigration; the employment situation.
6. Canada's Economic Problems and Development: Our export and import trade; the freight-rates question; the importance of Alberta's oil; the proposals for the export of natural gas; the Great Lakes-St. Lawrence Waterways and power project; farm prices, new industries.

INTERNATIONAL

1. Canadian Foreign Policy: Canada's part in world affairs; political and economic agreements with foreign powers; the North Atlantic Alliance; Canadian representation abroad; our immigration policy; our relations with the U.N.; our relations with the United States.
2. The United Nations: The efforts of the U.N. to maintain world peace and a better understanding between nations; the Korean conflict; the special tasks of such agencies as UNESCO, FAO, WHO; new members; the Atomic Energy Commission; the important decisions of the Security Council; the work of the General Assembly.
3. The British Commonwealth and Empire: The changing status of countries within the Empire; the effect of Commonwealth membership on Canada's foreign policy; the Commonwealth and the Korean conflict.
4. The Future of Germany, Austria and Japan: The rehabilitation of Germany, Austria and Japan; the lack of agreement amongst the occupying powers on peace treaties for these countries.
5. The Role of the United States in World Affairs: The general policy of the President in domestic and foreign affairs; internal disputes over American policy abroad; the United States and the Korean conflict; the achievements of the ERP and other American measures of assistance to foreign countries for the purposes of defence and economic rehabilitation.

6. China: The new Communist regime; the Chinese intervention in the Korean conflict; the expanding influence of the Chinese Communists in Asia.
7. Great Britain: The British recovery program; the measures adopted by the Labor government; the dollar shortage problem; Great Britain's stand in the split between the East and the West.
8. The Soviet Union; The strained relations with the western democracies; the Soviet attempts to dominate Europe and Asia; Russian policy in U.N. affairs.
9. Important Scientific Developments: Discoveries in the uses of atomic energy; developments in military aviation; new forms of projectiles and explosives; medical discoveries.
10. International affairs relating to the truce suspending the Korean War, July 27, 1953; aftermath of the Korean War.

THE SELECTION OF CURRENT EVENTS FOR STUDY

In the teaching of current events in the schools, the teacher faces the problem of selecting suitable topics from the great mass of available materials. Many of these record the trivial and confusing as well as the significant and illuminating. Some criteria then must be set up to provide a basis for selection. Although there is no ready and clear-cut way of establishing these criteria for the choice of current events topics, it must be admitted that re-examination of the basic principles of selection used in the construction of the curriculum will aid the teacher considerably. Mere existence is not a basis for the admission of subject matter to the curriculum. Any material admitted must prove its fitness; for example, only those historical events which seem to be useful are admitted. It follows, that news items must not be admitted merely because they are available. **We, therefore, may establish one criterion for the selection of current events by suggesting that those current events which are related to the existing curriculum are worthy of attention.**

We should also suggest that in selecting current events for attention the teacher should watch for the significance of situations and conditions as well as of overt events. The situation that results in a strike, a revolution, a disaster, a government decree, easily may be more significant than the resulting event itself. It is these background situations which often furnish the most illuminating kind of material for the lesson in current events.

A — A SURVEY OF WORLD AFFAIRS

Chapter I

UNITED NATIONS

There has been much debate in recent years, especially in the United States, about the continued existence of the United Nations. The suggestion that the organization ought to be abolished has aroused such strong emotional outbursts that the real issue at stake is often overlooked. The United Nations was created to achieve certain aims or purposes, among the most important of which was world peace, and it is these purposes that are important, not the organization itself. Many people have lost sight of the goals in their attention to the instrument

to be used to achieve them, and they have tended to think of the organization as an end in itself. It may be that there is no better instrument available at the present for the securing of the aims and purposes of the United Nations, but this should not blind us to the weaknesses in the organization, nor deter us in our search for the best way to achieve world peace.

During the last year the United Nations has dealt with many matters of vital importance in international relations. Those discussed in the following pages have been selected because the first has been the outstanding issue of the last year, the second is an example of agreement between East and West, the third is an example of continued disagreement between East and West, and the fourth is an example of a problem which has not increased East-West tension but which has caused much disagreement among members.

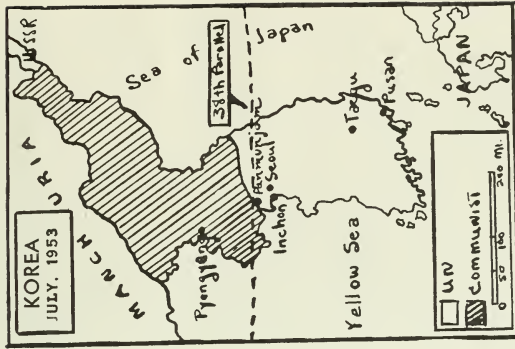
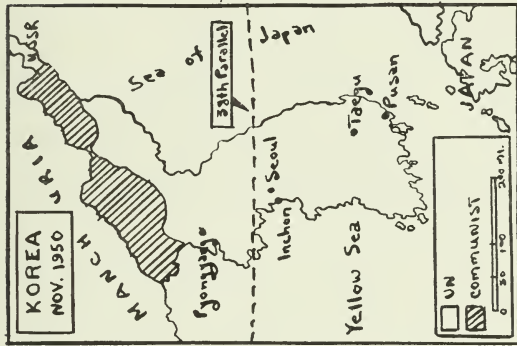
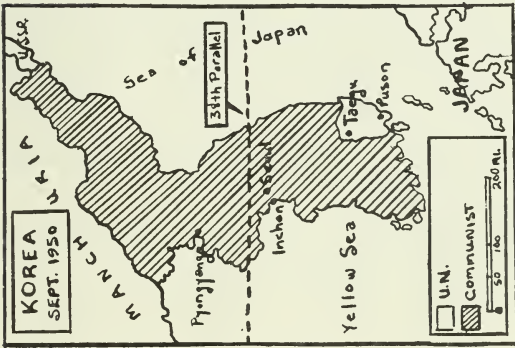
THE KOREAN TRUCE

The Korean conflict will also be discussed in connection with the foreign policies of the Great Powers. Negotiations for a truce began in July, 1951, and by July, 1952, there was only one major issue in the way of a settlement — the exchange of prisoners. The United Nations point of view was that no prisoners should be repatriated against their will, while the North Koreans and Chinese Communists insisted that under the Geneva Convention of 1929 all prisoners must be returned to their own countries. A strictly legal interpretation of the Convention would probably lend weight to the Communist argument, but the United Nations countries contended that the Convention was intended only to prohibit forcible retention of prisoners. Many of the prisoners held by the United Nations forces had indicated that they did not want to return to their own countries, and the United Nations countries said there was nothing in the Convention to force them to return these prisoners against their will. The United Nations held about 200,000 prisoners, the Communists about 12,000.

No agreement could be reached at Panmunjon (the North Korean town where truce negotiations were being carried on), so negotiations were suspended in October, 1952. The matter was then taken up in the General Assembly. The Soviet Union insisted that all prisoners must be repatriated, while the United States said that they would not return a single prisoner who did not wish to return. On November 17 India proposed that all prisoners be repatriated under a neutral Commission of two Communist and two non-Communist countries. The British supported the Indian resolution but it was at first rejected by the United States. After India made some revisions, however, it was accepted by the United States only to be rejected by the Soviet Union.

The Soviet rejection was followed within a few days by a similar rejection on the part of the Chinese Communists. (China is represented in the United Nations by the Nationalist group which controls only the island of Formosa. Thus Communist China has no voice in the United Nations and can only attend by invitation.) The Indian resolution was approved by the General Assembly on December 3, by a vote of 55 to 5.

The next move came on February 22, 1953, when General Clark, Supreme United Nations Commander, suggested repatriation of sick



Three Phases of the War in Korea.

and wounded prisoners. This offer was accepted on March 28 by the Communists, who also suggested re-opening the truce negotiations which had been adjourned since October. General Clark said he was prepared to re-open negotiations only after the Communists had agreed that no forcible repatriation should take place. On the day preceding Clark's answer, Premier Chou En-Lai of Communist China had broadcast to the world a proposal that all prisoners who refused repatriation should be turned over to a neutral nation. It is significant that this changed attitude on the part of the Chinese Communists coincided with the more conciliatory attitude of the Soviet Union after the death of Stalin on March 5. On April 5 negotiations regarding the exchange of sick and wounded prisoners began, and the exchange started on April 19. On April 26 the truce talks were resumed at Panmunjon. The United Nations side refused to accept the Communist proposal that prisoners who refused repatriation should be sent to a neutral country. The Communists then modified their proposal by suggesting on May 7 that the prisoners be turned over to a neutral Commission in Korea. The neutral Commission would consist of representatives of Poland, Czechoslovakia, Sweden, Switzerland and India. Later in May, just as it appeared that agreement had been reached, the South Korean government began to object to a truce. On May 29 they warned that if the United States proposals (slightly modified version of the Communist proposals) were accepted, South Korea would remove its troops from the United Nations command and fight on alone. Then on June 17 South Korean President Syngman Rhee ordered his troops to release about 30,000 North Korean prisoners. The ensuing events and negotiations between the United States and South Korea are mentioned under United States foreign policy.

A truce was finally signed on July 27, 1953, after the United States had assured the Communists that South Korea would accept it. The major provisions of the truce were as follows:

1. Demarcation line: Each side would cease fire within twelve hours of signing and withdraw one mile and a quarter from the final battle line; the intervening area would be a neutral zone.
2. Truce supervision: Each side accepted restrictions on the number of troop reinforcements it could make during the truce, and this would be checked by a Commission of Switzerland, Sweden, Poland and Czechoslovakia.
3. Prisoner exchange: All prisoners who wanted to return were to be returned at once. The remainder were to be turned over to a neutral Commission of the four states mentioned in (2) plus India, with India only providing troops to guard the prisoners. Communist teams may visit these prisoners and try to persuade them to change their minds. The disposition of those who persist in their refusal will be settled by a political conference.
4. Political conference: This conference will convene within ninety days after the signing of the truce to settle the question of the withdrawal of all foreign troops from Korea and the peaceful settlement of the Korean question.

At the time of writing the General Assembly has been reconvened to discuss the political conference. Discussions in the General Assembly reflect a division among the Western powers, especially the United States and Britain, over the composition of the conference and the matters to be discussed. Britain seems to feel that the question of

Chinese Communist membership in the United Nations should be settled, whereas the United States has refused to have it on the agenda. Britain and Canada want India at the Conference, but the United States has refused on the grounds that India did not provide fighting forces for Korea. The real reason seems to be that India might not support an extreme United States position with regard to Asia.

A NEW SECRETARY GENERAL

Under the Charter of the United Nations, the Secretary General is appointed by the General Assembly on the recommendation of the Security Council. This latter provision means that any of the Big 5 (U.S.A., U.S.S.R., United Kingdom, France, China) can veto a recommendation and thus prevent the appointment. Mr. Trygve Lie of Norway was appointed for a five-year term on February 1, 1946. In 1950, after the outbreak of the Korean War, his re-appointment came before the Security Council. Mr. Lie had, as Secretary General, supported the United Nations action in Korea, but his stand angered the Soviet Union. They refused, therefore, to vote for Mr. Lie's re-appointment. Despite this, on November 1, 1950, the General Assembly, without a Security Council recommendation, voted to continue Mr. Lie in office for a further three years. (The veto does not apply in the General Assembly; a question of this kind is decided by a two-thirds majority.) This vote was a violation of the Charter of the United Nations, which makes no distinction between appointment, re-appointment, or continuation. The Soviet Union announced that they would refuse to recognize Lie as Secretary General.

This was a case in which the East-West conflict was expressed in the dispute over the appointment of an international civil servant. The Secretary General's value to the organization depends upon his ability to work with opposing members and his success in bringing them closer together on disputed issues. The action of the majority of the United Nations members in this case only succeeded in nullifying the Secretary General's influence. Thus the United Nations in one of its most critical periods was left without an effective Secretary General.

On November 10, 1952, Mr. Lie suddenly announced his resignation, more than a year before his three-year period would expire. Despite efforts by the Western powers to make him reconsider, he stuck to his intentions, and the United Nations had to find a new Secretary General. In his resignation statement Lie indicated that he felt that a Secretary General who had the support of all the Great Powers would be more helpful in achieving peace.

In March, 1953, the Security Council took up the question of a new Secretary General. The United States proposed General Romulo of the Philippines, the Soviet Union proposed Mr. Skrzyszewski of Poland, and Denmark proposed Canada's Secretary of State for External Affairs, Mr. Lester B. Pearson. Neither Romulo nor Skrzyszewski received the necessary seven votes, but Pearson received nine. Of the remaining two members, however, the Soviet Union cast a negative vote which vetoed Pearson's appointment. Several days later the Soviet Union proposed Mrs. Pandit of India but she was rejected as a result of United States pressure.

Mr. Vishinsky had been recalled to Moscow for new instructions after the death of Stalin on March 5. When he returned at the end of March, he showed signs of a less belligerent Soviet policy. The first of these indications came with his support of a French proposal on March 31 that Mr. Dag Hammarskjöld of Sweden be recommended to the General Assembly. The Security Council approved the French resolution by a vote of ten to zero with Nationalist China not voting. Mr. Hammarskjöld was appointed by the General Assembly on April 7.

PROPOSALS FOR NEW MEMBERS

The United Nations at present has sixty members. Fifty-one of these were original members and the other nine have been admitted since 1946 (Afghanistan, Iceland, Sweden, Thailand (Siam), 1946; Burma, Pakistan, Yemen, 1948; Israel, 1949; Indonesia, 1950). The method of admitting new members is the same as that for appointing a Secretary General. Any of the Big 5 can veto a Security Council recommendation. States to be admitted must be peace-loving, must declare their intention to accept the obligations of the Charter, and must be able and willing to carry out their obligations. Much difficulty has arisen over the definition of a state and over how to decide whether or not a state is capable of carrying out its obligations. A state should be self-governing and especially have control over its own military and foreign affairs, but two of the original members were Republics of the Soviet Union (White Russia and the Ukraine), and they are certainly not self-governing. Their admission to membership has paved the way for nominations of other equally doubtful "states". Disputes over the admission of members have shown, however, that these requirements have not been given very serious consideration when states are nominated as members; this is another of the questions which reflect the East-West struggle. The Soviet Union has nominated for membership the following "states": Albania, Bulgaria, Hungary, Rumania, Outer Mongolia, North Korea and Viet Minh. The United States and other Western powers have nominated: Austria, Ceylon, Finland, Ireland, Italy, Japan, Jordan, Libya, Portugal, Cambodia, South Korea, Laos, Nepal and Viet Nam. The only important states not nominated have been Germany, Switzerland and Spain. Of those nominated, the last three in the Soviet list and the last five in the Western list are of doubtful status as states.

In December, 1951, France nominated Italy for membership. The Soviet Union suggested that the question of Italian membership be taken up at the same time as that of thirteen other states, some of which had been sponsored by the Soviet Union and others by the Western powers. The United States rejected this proposal for collective admission on the grounds that since each state's merits should be carefully examined, this type of admission would violate the Charter. France's motion for the separate admission of Italy was vetoed by the Soviet Union on February 6, and then on the same date the Soviet Union's resolution was rejected by a group led by the United States. It is significant that both Britain and France abstained from voting on the Soviet resolution. This abstention reflected the dilemma of these two powers who, while not opposed to the collective admission proposal, did not want to create a division among the Western powers.

The Security Council again rejected the Soviet proposal on September 8, and then proceeded to examine several of the applications individually. Libya's application was approved by a majority of the Security Council but vetoed by the Soviet Union on the grounds that the United States had objected to other states which were equally as capable of membership in Libya. The Soviet Union next vetoed the admission of Japan on the grounds that it was not independent because it was still occupied by the United States troops and also because Japan was still legally at war with the Soviet Union. (The Soviet Union had refused to sign the Japanese Peace Treaty.) France then proposed the admission of Viet Nam, Laos and Cambodia, all of which were rejected by the Soviet Union because they were "puppet governments" within the French Union to which France had recently refused independent status. Finally, the Soviet Union's proposal to admit Viet Minh (Communist Viet Nam) was rejected by all the other members.

DRAFT COVENANTS ON HUMAN RIGHTS

At San Francisco in 1945, those few who asked that an important place in the Charter be given to Human Rights had to settle for a few vague generalities. Not until 1946 were more concerted efforts made to work out a world-wide system of Human Rights. The General Assembly in that year instructed the Economic and Social Council to perform three tasks. It was to prepare a Draft Declaration on Human Rights, a Draft Covenant on Human Rights, and finally to make recommendations as to how the rights could be guaranteed to individuals. The Council set up a Commission on Human Rights, of which the Chairman from 1947 to 1950 was Mrs. Franklin Roosevelt, widow of the war-time President of the United States. Since 1950 the Chairman has been Dr. Charles Malik of Lebanon.

After more than two years of discussions, hearings, and representations by governmental and non-governmental groups, the Commission produced a Draft Charter which was approved by the General Assembly on December 10, 1948. The Charter in its final form was named the Declaration on Human Rights. It differed from the later Covenants not so much in its content as in its effect. It was merely a statement of aspirations, whereas the Covenants were intended to be obligations binding upon states. The Declaration tried to establish common standards of achievement, or goals, for all peoples of all states, in such things as freedom from oppression, freedom of speech, the right to work, and so on. The rights suggested went far beyond those held by most people in the world, although they fell short of some of the rights we have in Canada. But no state was obliged by the Declaration to do anything about granting to its peoples rights which they did not possess.

The next step was to draw up a Covenant, based on the Declaration, which would be submitted to all states for approval. Once a state approved of and accepted the Covenant, it would be bound by international law to grant the rights mentioned in the Covenant to its people. It soon became obvious that there was a great difference between drawing up a list of aspirations and formulating a binding Covenant of specific rights. The Commission worked twice as long on the second

part of its task, but finally in June, 1952, it brought forth two Draft Covenants, the first on Economic, Social and Cultural Rights and the second on Civil and Political Rights. A few of the more important rights are mentioned below:

Economic, Social and Cultural Rights

Article 5: Work being at the basis of all human endeavor, the States Parties to the Covenant recognize the right to work, that is to say, the fundamental right of everyone to the opportunity, if he so desires, to gain his living by work which he freely accepts.

Article 8: The States . . . recognize the right of everyone to social security.

Article 10: The States . . . recognize the right of everyone to adequate food, clothing, and housing.

Article 12: The States . . . recognize the right of everyone to the enjoyment of the highest attainable standard of health.

Article 13: The States . . . recognize the right of everyone to education.

Article 15: The States . . . recognize the right of everyone: (a) To take part in cultural life.

Civil and Political Rights

Article 4: No one shall be arbitrarily deprived of life. Everyone's right to life shall be protected by law.

Article 7: 1. Everyone has the right to liberty and security of person.

Article 14: 1. Everyone shall have the right to freedom of thought, conscience and religion. This right shall include freedom to maintain or to change his religion or belief, and freedom . . . to manifest his religion or belief. . . .

Article 15: 1. Everyone shall have the right to hold opinions without interference. 2. Everyone shall have the right to freedom of expression.

Article 16: The right of peaceful assembly shall be recognized.

In the Western World we have generally considered Civil and Political Rights to be the basic rights which ensure a democratic system within which opportunities are provided to gain economic and social security. But the states which insisted most strongly upon placing a statement of Economic and Social Rights first were those in Asia and Africa to whom freedom of speech, for example, is not very important if one is too weak from hunger to be able to speak.

These Covenants must now be submitted to all the states for acceptance. Despite the six years' work which has been necessary to formulate them, they still may have to go through many changes before they are acceptable to most of the states. Many observers feel that they have no chance of being accepted in anything resembling their present form: It is feared that too much has been attempted. If the states had been able to agree on one or two basic rights which they could all accept as binding upon them, these would have formed a starting point from which to gain wider agreement. It is doubtful if many states will accept some thirty-five general and all-embracing rights as a starting point.

But even if they were to accept them, there is still the problem of guarantees. Most of the rights are rights of the individual against his state. If the Covenants were accepted by Canada, it would mean that a Canadian citizen would have the right to appeal to some international body against his own government if that government refused to grant him his rights. And then if his appeal were sustained, there would

be the problem of forcing Canada to grant him the rights. There is little evidence to suggest that many countries are willing to accept a restriction of this nature upon the control they have over their citizens. In fact, Canada, the United States, Great Britain and other Western countries, whose people have more rights than any other peoples of the world, have indicated their opposition to any form of world court or world police force to enforce such rights.

The great fear of many who sincerely want these rights for all peoples is that in attempting too much all will be lost. But this may be too pessimistic an outlook, because the Declaration and Draft Covenants have already had a tremendous impact upon the thinking of statesmen and peoples throughout the world. Many of the new national constitutions drawn up since 1948 have included guarantees of rights mentioned in those documents. While it is a long step from the statement of rights in a constitution to their enforcement, the work of the Commission on Human Rights has been one of the finest examples of what could be if the aims and purposes of the United Nations Charter were ever fully realized.

CHAPTER II

THE SOVIET UNION

Most of the world today is divided into two great power areas. At the center of one is the United States of America and of the other the Union of Soviet Socialist Republics. As the acknowledged leader of the Free World the United States must have a predominant voice in shaping the policy of the Free World, so a knowledge of the domestic and foreign policy changes in the United States is important. In order, however, to more fully understand the Free World we must look beyond the United States to Britain, France, Canada and other Western countries, for the essence of the Free World is that all nations are active participants. The United States does not and cannot disregard the desires of the other countries.

The other power bloc is dominated completely by the Soviet Union, because the very essence of its form is that all states in it are forced to accept without right of criticism the dictates of Moscow. When a state like Yugoslavia is in a position to question Moscow's decisions it ceases to be a member of that bloc. Communist China may be an exception to this generalization but the signs of an independent policy have not been very great in the past four years. Therefore it is essential to try to understand the Soviet Union, for there is no more valuable maxim of international politics than "know your opponent".

Many changes have taken place in the Soviet Union during the last year and Western observers have not all been able to agree on their meaning. Part of the reason for this is the difficulty of securing accurate information on the Soviet Union, but of even more importance is the failure to take into account the history of earlier changes in the Soviet Union. A proper study of current events in the Soviet Union must be based on the period since 1917, and to properly understand that period students should have some knowledge of Czarist Russia.

DOMESTIC AFFAIRS

The Soviet Union is a totalitarian state, which means that the government extends its control over every aspect of life: political, economic, social, cultural and religious. The government decides what attitude will be taken by the citizens on all questions and then enforces the decisions. Totalitarian governments brook no opposition of any kind, so there is only one political party. In the Soviet Union prior to October, 1952, it was called the Bolshevik Party, but since then it has been called the Communist Party. All power in the Soviet Union resides in the Communist Party, which has a membership of approximately six million out of a total population of some 207 million. But the Party in turn is controlled by a very small group at the top which makes all the important decisions. Before October, 1952, this small group was called the Political Bureau and it consisted of about thirteen members, the most important of whom was Joseph Stalin. In theory, all the decisions of the Political Bureau and other top Party organs had to be approved by the membership at a National Congress made up of one representative for each 1,000 members, but the Congress had not met since 1939.

The Nineteenth Party Congress

The first great change came in October, 1952, when the Nineteenth Party Congress took place. This in itself was a great surprise since most Western observers had concluded that even the pretence of a representative body had been abolished. As in the past, the Congress approved unanimously the decisions of the Political Bureau, the most important of which dealt with changes in the organization of the Party. Provision was made for the Congress to meet every four years instead of every three years; the Organization Bureau (Orgburo), which had been responsible for Party organization, was abolished; the Secretariat was enlarged and given more authority (the Secretariat consists of several divisions, the most important of which is the Cadre Section which approves all Party appointments.); and finally the Political Bureau (Politburo) was enlarged from 13 to 25 members and re-named the Presidium. Speculation as to what these changes might mean ranged all the way from a tightening of the leadership under Stalin to the introduction of more democratic methods in the Party. Stalin had been ill for some time and the major speech at the Congress was delivered by Georgi Malenkov, the Party Secretary in charge of the Cadre Section of the Secretariat. The history of the Party since 1917 would not seem to support the suggestion that these changes meant democratization. A more plausible explanation would be that more effective control could be maintained by bringing more of the senior Party members into the new Presidium.

The Fifth Five-Year Plan

Another important feature of the Congress was the announcement of the Fifth Five-Year Plan. In a country like Canada the government, in peace-time at least, does not decide how much of everything will be produced. This is decided by private business and by the people through their offers to pay more or less for certain goods. (The government does exercise some control but it is generally of an indirect nature and designed to assist rather than replace the other produc-

tion determinants.) If Canadians want refrigerators instead of ice-boxes they offer more money for refrigerators and refuse to buy ice-boxes. Manufacturers then switch to producing refrigerators. In the Soviet Union the Party and the government would decide this. A central planning body called the Gosplan decides how many refrigerators shall be built over a five year period, and for how much they will be sold. Even if the people want refrigerators and can pay for them, the Gosplan may decide not to build any and to use the steel for tanks. When the Communists seized control of Russia in November, 1917, the country was far behind other major countries economically and so the Party decided to industrialize as quickly as possible. Because of their limited resources they had to choose between rapid industrialization and a decent standard of living, or in other words they had to decide whether to produce capital goods like railway cars, heavy machinery and hydro-electric dams or consumer goods like clothing, radios, cars and so on. Because they chose the former, the people have been forced to go without many essentials so that the economy could be built up quickly. (Students should note that some industrialization must precede the production of consumer goods, or in other words factories must be built before shoes can be produced in them. But the decision in the Soviet Union involved the **rate** of industrialization.)

In 1928 the Party introduced the Five-Year Plan system. Production goals for all types of goods were set up in terms of percentage increases over a previous year. For example, it might have been planned to increase the output of steel by 150% over 1927 output, and so on. All sorts of devices were used to ensure that the goals were met, and in most cases they have been. It is difficult to determine the actual output of goods because increases are shown as percentages. The first Five-Year Plan ended in 1932; the Second Five-Year Plan covered the period from 1933 to 1937; the Third Five-Year Plan lasted from 1938 to 1942; during World War II the normal plans were suspended, but the Fourth Five-Year Plan started in 1946 and ended in December, 1950.

The Fifth Five-Year Plan had been in operation for over a year before it was publicly announced at the Party Congress in October, 1952. Great increases in the output of certain goods over the 1950 figures were announced. Irrigation is to be increased 300%, general agricultural production 110%, general industrial production 100% and housing 100%. Workers' pay will increase by 35%, farm incomes by 40% and so on. As in previous Plans, the increases in capital goods are to be greater than in consumer goods: 82% increase in capital goods, 64% in consumer goods. Foreign observers generally think that the Soviet Union will achieve most of the planned goals and may even surpass some as they did in the previous Plan. There is a terrific drive under way for industrialization, including armaments. Comparative figures are not completely accurate but the following samples give a fair approximation of the situation in the Soviet Union and the United States. Where not otherwise stated, figures are in millions of tons.

	U.S.S.R. 1955 GOAL		U.S.A. 1951 ACTUAL
Pig iron	34.3		64.0
Steel	44.7		95.5
Oil	69.4		307.5
Coal	377.5		523.0
Electricity	162.57	billion kwh	432.3
Motor vehicles	486.0	thousand	6768.0
Leather shoes	305.4	million pairs	471.1
Cotton cloth	6.9	billion meters	9.2
Cattle	68.1	million head	88.1

The figures shown in the above table are the planned production goals for the Soviet Union at the end of the Fifth Five-Year Plan in 1955 and the actual production in the United States in 1951. The production in the United States will be greater by 1955. The important point to note about these figures is that in the Soviet Union most of the steel output, for example, is devoted to the production of capital goods or armaments, whereas in the United States most of it goes for civilian consumer goods. Thus in 1955 the two countries may be close to equality in steel produced **for armaments**.

While this industrialization is being carried out at the expense of the living standards of the people, the standard of living is increasing and there is no reason why it could not continue to increase. Providing a major war or an internal revolution does not disrupt the Plan and providing the rigid discipline of totalitarianism can be maintained, the industrialization will probably continue to advance rapidly.

Purge of the Nine Doctors

The next important internal development took place early in January. Nine doctors, six of them Jewish, were charged with plotting the death of senior party members by improperly diagnosing their illnesses and therefore not prescribing the proper treatment. They were specifically charged with causing the death of Andrei Zhdanov in 1948. Zhdanov had been one of the top Politburo members and a possible successor to Stalin. Indications until January, 1953, were that he had been "removed" at Stalin's orders. The Secret Police under the control of Lavrentia Beria, a top Politburo member, were attacked because of their lack of vigilance. Speculation as to the reasons for this purge gave rise to several different explanations. Some observers thought that there may actually have been a conspiracy to overthrow the Party and that this was one of the signs, while others thought that it was all arranged by Stalin or some other senior Party official to discredit Beria. The latter theory has some basis in the history of the Secret Police leaders; several of Beria's predecessors became too powerful and were purged. The subsequent arrest of Beria in July, discussed below, also lends support to this theory. Some observers felt the regime was casting about for scapegoats to turn the attention of the people away from their poverty and oppression, and finally, some thought that the number of Jewish doctors involved indicated that it was part of an anti-Semitic campaign which corresponded with the external troubles between the Soviet Union and Israel.

Death of Stalin—Ascendancy of Malenkov

Joseph Stalin died of a brain hemorrhage on March 5. Despite the fact that he was seventy-three years of age and had been in ill-health for some time, his death came as a surprise to the Western World. At the time of his death Stalin was Premier of the Soviet Union (Chairman of the Council of Ministers), General Secretary of the Communist Party and Chairman of the new Party Presidium. These were the three top positions in the country. (The President of the Soviet Union is the Chairman of the Presidium of the Supreme Soviet (Parliament); neither he nor the Supreme Soviet has any real power. The President in March, 1953, was Nikolai Shvernik.) The immediate question was who would replace Stalin and what would be his policy. The outside world did not have long to wait for on March 6 it was announced that Georgi Malenkov had assumed the three positions held by Stalin. This was not a great surprise, because there were only three probable successors: Malenkov, the senior Party Secretary next to Stalin and responsible for all appointments; Molotov, who had over-all authority for foreign policy and foreign trade; and Beria, who controlled the Secret Police. Stalin had succeeded Lenin in 1924 because of his control over Party appointments and Malenkov was in a similar position in 1953. But the real question has not yet been answered. It was one thing to assume the positions Stalin had held but another to be able to wield the power. There was almost bound to be jealousy among the top contenders for the position and observers felt that signs of this would soon become evident—which they did.

A whole series of changes followed the elevation of Malenkov. It was announced that the Party Presidium would be reduced in size to what it had been under the name Politburo prior to October, 1952. This was a reversal of Stalin's policy. The efforts to build Malenkov up as the sole leader lasted for only a brief period and then the emphasis shifted to collective leadership. On March 20 Malenkov gave up the position of General Secretary of the Party to N. Krushchev. Speculation at this point suggested either that there was a serious struggle already under way for leadership between Malenkov and Beria or that to prevent an open struggle the leadership was being shared. On March 25 came an announcement of an amnesty for many prisoners and relaxations in the criminal code, followed by an announcement that prices of food and clothing were to be reduced and more goods would be available for the people to buy. Then on April 3 came word that the doctors arrested in January were to be released. It was stated that they had been falsely arrested and that the confessions had been extorted by illegal means. The persons responsible for their arrest were removed, including the Minister of State Security, S. Ignatiev. These later steps were all interpreted as an attempt to gain the support of the people for the new regime and to wipe out the memory of Stalin. The release of the doctors was more difficult to understand. Some said that it meant that Beria, whose secret police had been blamed for negligence in January, was reasserting his position, while others saw it as a sign that the way was being prepared for the ouster of Beria.

On June 27, a group of Party leaders attended a performance at a Moscow theater, but Beria was not among them. (While this would mean nothing in Canada, in the Soviet Union the attendance or non-attendance at such gatherings, and even the seating of the various leaders, are of extreme importance as an indication of who is in and out of favor.) Then suddenly on July 10 the Communist Party and the government announced that Beria had been arrested, relieved of his position as head of the Secret Police and turned over to the Supreme Court for trial. He was charged with plotting against the Soviet Union and with being an agent of foreign powers. The West knows of no evidence to support the charge that he was a foreign agent but this is the stock charge made against any Party member who is to be purged. Beria's removal was followed quickly by the removal of key pro-Beria personnel of the Secret Police organizations in the Republics (similar to our Provinces). Many of those arrested had recently been appointed or promoted by Beria and it was thought that this was a sign that Beria had been trying to establish a basis for seizing power.

The final internal developments worthy of mention came in Malenkov's speech to the Supreme Soviet on August 8. He announced that the Soviet Union had constructed and tested a hydrogen bomb; this was later confirmed by Western scientists. But of more importance internally was his announcement that positive steps would be taken to improve the standard of living of all the peoples of the Soviet Union.

What do all these changes mean? There seem to be two elements involved—a struggle for power and a change in policy. The changes in Party organization, the reversal of the arrest of the doctors and the arrest of Beria and his appointees seem to indicate that there was a struggle for power going on at least between Malenkov and Beria, but perhaps also involving Molotov. Some observers saw in Beria's pre-arrest moves an attempt to build up the Secret Police to take over power. There is, however, another possible explanation. Malenkov may have been looking for another means of building himself up in the minds of the people, and in the light of the knowledge that the Secret Police activities were resented by the people he may have decided to make Beria the scapegoat. This had happened before in the Soviet Union when Stalin was alive, and statements in the Soviet press seemed to give some support to it.

The other question is whether or not these moves indicate a change in domestic policy. It should be kept in mind that the struggle for power and a possible change in policy cannot be completely separated, as the changes in policy might be designed to win the support of the people for Malenkov against Beria. None of the changes seem to indicate any move in the direction of democracy, and there is nothing to suggest that the small group of top Party members will not continue to make all the decisions. But the changes do seem to indicate at least a temporary improvement in the standard of living and a relaxation of the more repressive police activities of the State. Democracy has never existed in the Soviet Union and therefore, in a sense, the people of the Soviet Union might not be so concerned about their failure to achieve it as would those who had lived under democracy.

Resentment against hunger and oppression, however, can exist regardless of the political system, and the Soviet leaders may have reasoned that while there was no need to give the people a voice in making policies there was a necessity to gain support for the policies by relaxing some of the restrictions. Whether or not the changes will be permanent can only be determined after much more time has elapsed.

FOREIGN POLICY

Soviet foreign policy has gone through many phases since 1917. From November, 1917, until 1921 the government of Russia was isolated and had to ward off the attacks of Allied and White Russian troops. From 1921 until 1925 or 1926 it was mainly concerned with re-establishing diplomatic and trade relations with other countries. The period from 1926 to 1933 was marked by a suspicion on the part of the Soviet Union towards all the major powers, but the rise of Hitler in Germany forced the Soviet Union to enter a "united front" period with France and Britain. This lasted until the signing of the Russo-German Pact of August, 1939, and during the next two years the West became the major "villain" again. But Hitler's attack upon the Soviet Union in June, 1941, ushered in the period of the United Nations, which lasted through the war and into the first year of peace. Finally, in 1946, the Soviet Union reverted to a hostile policy towards the West and the period since has been called the Cold War. Within each of these longer periods there have been variations of degree.

But throughout the period from 1917 to the present the aim of the Soviet Communist Party has been world domination through world revolution. The Communist Party has constantly worked to stir up revolutions in all the major countries, first through the Comintern, (Communist International), and then since World War II through the Cominform (Communist Information Bureau). While their ultimate goal has never changed, their methods and timing have changed from period to period and from country to country. Therefore changes in the conduct of foreign policy are not new. The real question is whether the recent changes mark an end of the idea of world revolution or whether they are merely further tactical changes in method.

Stalin's Foreign Policy

It is difficult to state in simple terms what foreign policy guides Stalin used in recent times, but three at least suggest themselves. Stalin said that the Soviet Union should avoid a general war, foment revolutions in the colonial areas and exploit differences among the capitalist countries until they would fight each other. On the eve of the Nineteenth Party Congress, Stalin wrote an article in which he mentioned two points of view. The first, held by "some comrades", was that war between the capitalist powers is not inevitable, which is the same as saying that the two blocs are so united within themselves that war could only arise between them. The second view, which Stalin seemed to believe was the correct one, was that the division into two power blocs is not as solid as it looks, or, in other words, the real division is not between East and West but between the capitalist powers. The sort of split which Stalin envisaged was one between the United States on the one hand and perhaps Britain and France on

the other. If Stalin were right, the tactics for the Soviet Union would be to exploit anti-United States sentiment in other Western countries. But later, at the Congress, he seemed to reject the idea of gaining any temporary allies among the capitalist powers.

Malenkov's Change in Tactics

When Malenkov first assumed office his foreign policy statements did not differ from those of Stalin. A change appeared, however, on March 15, when he stated that there was no dispute which could not be settled peacefully, including differences between the Soviet Union and the United States. Following upon this statement, the Soviet leaders in rapid succession adopted a conciliatory attitude on prisoner repatriation in Korea, indicated their willingness to discuss responsibility for the shooting down of British and United States aircraft over Germany, adopted a more reasonable attitude in the United Nations, proposed a new conference on Germany, submitted new and more promising disarmament proposals to the West, promised to use their influence to have British and United States civilians released from detention in North Korea and relaxed their censorship of news coming out of Moscow.

While the Western countries were still trying to accustom themselves to this "different" Soviet Union, new and even more surprising events took place. Between May 28 and June 13, the control which the Soviet Union had imposed upon East Germany was drastically changed. Evidence of this was the substitution of a Civilian High Commission for the Military Control Commission. On June 15, the East German Communist Premier, Grotewohl, announced that there would soon be a relaxation of the "sovietization" of East Germany. By this he implied that the efforts to make the East German economy into a model of that in the Soviet Union had failed, and would be modified. The "ungrateful" people in East Germany did not seem to appreciate these concessions for, on June 17, the workers began to riot against Soviet pressure, and rioting quickly spread throughout the country. The Soviet Union retaliated by moving in troops and declaring martial law. Some feel that this caused the downfall of Beria because he was in favor of the softer policy and when it failed he became the scapegoat. Others feel that it caused his downfall because he had opposed the softer policy, and that he was removed so that it could be continued despite the German riots.

Before public announcement of Beria's arrest, but after he appears to have fallen from power, several more changes occurred in the satellite countries of Eastern Europe. On July 4, a new government in Hungary announced a relaxation of economic hardships; on July 6, the Rumanian government made more food available to the people; on July 7, Czechoslovakia reduced the harsh penalties for absence from work; and then on July 11, the day after the announcement of Beria's arrest, martial law was lifted in East Berlin. Also on July 11, Moscow appealed for a Big Four meeting to discuss all differences, and this was met by an Allied reply requesting a specific Soviet promise of free elections throughout Germany to decide the question of unification. The Soviet Union did not answer and began to take harsh measures in East Germany as the rioting continued.

On August 8, in the Supreme Soviet, Malenkov clearly suggested a policy of offering concessions to France, Italy, Britain, and other non-American powers in order to draw them away from the United States. At the same time he suggested that there were "no grounds for collision between the U.S.A. and the U.S.S.R."

What do all these changes and variations mean? It must be re-emphasized that changes in tactics are not new in the Soviet Union. It must also be kept in mind that because of the great hope, among many people in the Western World, that Stalin's death would be followed by a naked struggle for power and even an uprising of the people, any incident which supports this hope tends to be magnified in the West. In light of these two warnings, there does not seem to be much indication yet that the Soviet Union has changed its plans for world domination. Most of the changes and concessions have been minor ones, and few of the promises have been followed by any concrete action. Finally, Malenkov's statement of August 8 suggests that the Soviet Union may be following its usual policy of making promises to the United States while at the same time trying to undermine the Western alliance.

The Far East

Soviet foreign policy in the Far East has been important in the last year. While never directly involved in the Korean War the Soviet Union has given strong diplomatic support to the North Korean and Chinese Communists, and it has been reported on many occasions that military assistance in the form of arms, ammunition and equipment has also been provided. This means that the Soviet Union, a member of the United Nations, not only has refrained from helping other members of the United Nations to support the aims and principles which all accepted at San Francisco in 1945, but has, as well, hindered the work of the United Nations by aiding the aggressors. There is little doubt that the Soviet attitude has had a very great influence upon the course of events in Korea.

Russian interest in Korea is not new. The Soviet government, and the Czarist governments before it, have had definite interests in Korea and in the northern provinces of China called Manchuria. This has been an area over which Russia, Japan and China have clashed on many occasions. Japan annexed Korea in 1910 and Manchuria in 1932. The latter annexation was never recognized by the Soviet Union or any of the Western powers. After World War II, Manchuria was returned to China but the Soviet Union's special interest in it was recognized at the Yalta Conference in February, 1945. The future status of Korea was not decided, with the result that it was occupied by both Russian and United States forces. The illogical division of Korea which arose out of the military occupation led almost inevitably to the conflict of June, 1950.

The Chinese Communists defeated the Nationalists under Chiang Kai-shek in 1949 and assumed control over all the Chinese mainland. Since that time, Communist China and the Soviet Union have drawn closer together, not only because of their similar political and economic systems but also because of the failure of the Western powers to formulate a concerted Far Eastern policy. Britain is the leader of

those States which think that strong efforts should be made to refrain from action which will cause Communist China to draw closer to the Soviet Union, while the United States has been the leader, at least since 1950-51, of those states which refuse to make any concessions to Communist China. Since the United States has more influence than Britain, its policy has prevailed and the Soviet Union has taken advantage of it to strengthen relations with China. (There is no clear proof that the situation would have been different even if the United States had followed the British policy. But those who believe it would have been different have argued that there was little to lose and much to gain by taking the same sort of risk that was taken with regard to Yugoslavia.) Chinese leaders attended a Moscow Conference in August and September, 1952, about which the Western world still knows little. It has been assumed, however, that closer economic and military ties were forged. But two results were announced. The Soviet Union agreed to return to China by the end of 1952 control over the main Manchurian railroad connecting with the Soviet Union, and China agreed that Soviet interests in Port Arthur could continue. The Soviet Union has had and will continue to have troops stationed in Port Arthur.

Soviet Far Eastern policy seems to be following its traditional aim of attempting to acquire a predominant interest in Manchuria with the eventual hope of annexing it. But this may conflict with China's own interests and lead to friction between the two great Communist powers.

CHAPTER III

THE UNITED STATES

The most important event in the United States during the period covered by this Bulletin was the Presidential and Congressional election of November 4, 1952. Indeed, this might well deserve to be called the most important event in the world for the same period because of the position of the United States as the leader of the so-called Free World. Because of their vital position in world affairs, changes in the domestic or foreign policy of the United States are of great concern to peoples and governments throughout the world. Thus a knowledge of the proposed and actual changes in policy of the new President and Congress becomes an essential tool for an understanding of world events.

DOMESTIC AFFAIRS

On November 4, 1952 (since 1845 the election has always been held on the first Tuesday after the first Monday in November) the people of the United States chose General Dwight D. Eisenhower, Republican, to be President for the next four years. President Eisenhower took over the office from President Harry Truman, Democrat, on January 20, 1953, at noon. On the same election day the people also gave to the Republican Party control of the legislative branch of the government, called the Congress.

The Elections of November, 1952—Republican Victory

In the House of Representatives, which corresponds in some ways to the Canadian House of Commons, the Republicans won 221 out of 435 seats, the Democrats 211; the remainder were either vacant or held by Independents. In the Senate, which is the Upper House with much more power than the Canadian Senate, the Republicans held 48 of the 96 seats, the Democrats 47, and one Republican Senator, Wayne Morse of Oregon, became an Independent. Only one-third of the 96 Senators were elected on November 4. While members of the House of Representatives hold office for only two years and thus must all run for re-election every two years, Senators hold office for six years but one-third of them are elected every two years.

United States politics are often difficult for Canadians to understand because of the differences in the nature of the parties. During elections it would appear that the two great parties, Republican and Democrat, had nothing in common, but when it comes to voting in Congress the division in the vote very often does not reflect a party division. In Canada party discipline is strong and members in nearly every case vote as a party. The real reason for this is our parliamentary form of government. If the Cabinet, which is made up of members from the strongest party or parties in the House of Commons, loses a vote on an important matter, it generally must resign; this in turn often leads to a new election. But in the United States the President and his Cabinet do not depend for their offices upon Congress. The President is elected for four years and appoints his Cabinet from outside Congress. This means that a vote in Congress against the President's policy cannot affect his term of office or bring about the dissolution of Congress: hence the Congressman can defeat a bill introduced by his own party without bringing on an election and thus endangering his own seat. This difference in the form of government partly accounts for the different groupings within both parties.

Because of the separation of the President from his party in Congress and because of the differences within the Republican Party in Congress it becomes difficult to determine what policy the Republicans will follow. During the election campaign President Eisenhower made certain promises, the Republican Party as a whole drew up and accepted a platform and leading Senators and Representatives seeking re-election made promises. It is necessary to choose from these the common factors and then to examine the policies carried out in light of the promises.

General Eisenhower won the Republican nomination on July 11, 1952, at the convention in Chicago. His closest competitor was Senator Robert Taft of Ohio. The Republican Vice-Presidential nominee was Senator Richard Nixon of California. As President Truman had declined to run for office again, the Democrats had to choose a candidate at their convention in Chicago. On July 26, 1952, Governor Adlai Stevenson of Illinois won the nomination without any really close competitor. His Vice-Presidential running mate was Senator Sparkman of Alabama.

Eisenhower's campaign did not get off to a good start, but as it progressed he seemed to learn quickly where his weaknesses lay and

to correct them. The major issues of the campaign, according to Eisenhower, were inefficiency in the Democratic administration, Communist or Pro-Communist sympathizers in responsible positions (especially the State Department), high taxes, inflation, the negative nature of foreign policy generally and especially in the Far East, and inefficiency in the conduct of the Korean War. Eisenhower promised to root Communists and Communist sympathizers out of the State Department and other security agencies, to reduce taxes and aim at a balanced budget, to combat inflation, to re-vitalize foreign policy and especially to place more emphasis on the Far East. He made a definite promise that if elected he would go to Korea and attempt to find a way of ending the war there.

Stevenson's greater political experience seemed at first to give him an advantage and he seemed to conduct his campaign generally on a slightly higher level than Eisenhower. But, as experience was to prove, the political background of the campaign was to count for more than the content and delivery of the speeches. Stevenson was forced from the beginning to base his campaign upon and therefore to defend the Truman Administration. This put him in the position of defending some of the weaknesses of the Administration which became serious liabilities. In addition, 67% of the newspapers in the United States, with 80% of the total daily circulation, supported Eisenhower, while only 14.5% supported Stevenson. This was not unusual, however, as both Roosevelt and Truman had been opposed by much of the press. Stevenson's positive campaign issues were on the whole a continuation of Truman's Fair Deal program. He adopted a consistent stand on civil rights which perhaps lost him votes in the South, he called much more positively than did Eisenhower for a freer trade policy, and he won the active support of the leadership of the two great labor unions, the Congress of Industrial Organizations (C.I.O.) and the American Federation of Labor (A.F.L.). In the foreign policy field Stevenson adhered to the post-1947 containment policy against the Soviet Union and opposed too much emphasis on the Far East at the expense of Europe.

Both the Republican and Democratic platforms were long-winded and vague. They are more useful as a guide to Congressional policy than Presidential policy, but even in this sense they are limited. The Republicans made foreign policy their major issue: they charged the Democratic Administration under Truman with plunging the United States into war in Korea without the consent of the citizens through their authorized representatives in Congress (in June, 1950, when Truman made his decision it was loudly acclaimed by nearly all the important Republicans in Congress); they said Truman had surrendered China and Eastern Europe to the Communists and misconducted the Korean War; in short, the Democrats had no foreign policy. They promised to change all this. They would repudiate the Yalta agreements, give more attention to the Far East, press other countries to reduce their tariff barriers at the same time as they would take measures to protect United States industries from too much foreign competition, and fight Communism wherever it appeared. Domestically they promised to revive free enterprise, reduce taxes, support

farm prices, retain the Taft-Hartley Labor Act, and end corruption and subversion.

The Yalta Agreements of February, 1945, were signed by President Roosevelt, Prime Minister Churchill, and Premier Stalin. Several of them were made public at the time but others were kept secret for more than two years. The most important agreements announced at the termination of the Conference dealt with the following matters:

- (1) Unconditional surrender, occupation and control of Germany.
- (2) Creation of a Commission to decide the reparations which Germany should pay.
- (3) Convening of the United Nations Conference on April 25, 1945, at San Francisco.
- (4) Declaration on Liberated Europe. In this the three Powers agreed to assist the liberated countries of Europe "to solve by *democratic* means their pressing political and economic problems" and to "create *democratic* institutions of *their own choice*." (Italics inserted.)
- (5) Support for a Provisional Government of Poland, and boundaries of Poland.

The following important agreements were not announced until the dates indicated:

- (1) Agreement on the use of the veto in the Security Council and on the Trusteeship System (about April 25, 1945).
- (2) Secret Agreement on the Far East (February 11, 1946). In return for Russian promises to enter the war against Japan within two or three months after the end of the war with Germany and to sign a pact of friendship and alliance with Chiang Kai-shek, the United States and Britain agreed:
 - (a) To recognize Soviet interests in Outer Mongolia;
 - (b) To the restoration of Russian rights violated by Japan in 1905; this involved the return of Southern Sakhalin, restoration of interests in Dairen and Port Arthur and recognition of "pre-eminent" interests in the Manchurian railroads.
- (3) Agreement on the disarmament, demilitarization and even dismemberment of Germany if necessary. France was given a zone of occupation and Roosevelt supported Stalin's suggestions that Germany pay twenty billion dollars in reparations. (Churchill rejected the latter suggestion and it was later worked out at Potsdam.)

The Democrats referred to foreign policy first and took the credit for the "successes" of the post-war years; they pledged their support for the United Nations and aid for under-developed areas, free trade, progressive immigration policies, etc. Domestically they promised reduction in taxes only after the nation's defences were secure, and generally stood by their past policies. They appeared to differ with the Republicans over the question of foreign trade, the control of the off-shore oil lands (Republicans said they should belong to the in-

dividual states, the Democrats to the Federal Government), the Taft-Hartley Act (which they promised to abolish), civil rights and general foreign policy.

In most instances the leading spokesman for each Party differed from the platforms only in emphasis. While it is impossible to indicate the issues raised by the candidates generally, it does seem safe to say that judging from results Senator Joseph McCarthy of Wisconsin was the most potent campaigner, next to Eisenhower, that the Republicans had. He said that the major issue was Communism in government and in the course of the campaign he charged almost all important Democrats, including the President, with being Communists, Communist sympathizers or Communist stooges.

Eisenhower's victory was clear. He received a popular vote of approximately 33,927,000 compared to Stevenson's 27,311,000 and an electoral college vote of 442 to Stevenson's 89. The victory of the Republican Party in Congress was by no means as clear, as the figures cited earlier will show. (Since November 4, Republican Senators Tobey and Taft have died; this leaves the Democrats in the majority in the Senate).

It is very difficult to decide which of the issues were the most important in the Republican victory. Some observers say it was nothing more than the old claim "time for a change" after twenty years of Democratic administration; others say it was the personality of Eisenhower; others say it was corruption and subversion. The largest group of observers, however, feel that it was the insecurity generated by the Korean War and Eisenhower's promise to attempt to end the war.

President Eisenhower's Cabinet

Eisenhower domestically was and is an extreme conservative and his Cabinet appointments reflected this. On foreign policy he opposed the isolationist wing of his party and here too his appointments were significant. The Cabinet Secretaries, who correspond to our Ministers in Canada, were as follows:

Secretary of State: John Foster Dulles

Secretary of the Treasury: George M. Humphrey

Secretary of Defence: Charles E. Wilson

Attorney General: Herbert Brownell

Postmaster General: Arthur Summerfield

Secretary of the Interior: Douglas McKay

Secretary of Agriculture: Ezra Benson

Secretary of Commerce: Sinclair Weeks

Secretary of Labor: Martin Durkin (Resigned August 31)

Secretary of Health, Education and Welfare: Oveta C. Hobby

All of the Secretaries except Durkin, who was a Democrat at the time of his appointment, are representative of big business. Important foreign policy posts outside the Cabinet were given to Harold Stassen, who became Mutual Security Administrator in charge of all foreign aid programs, and to ex-Senator Henry Cabot Lodge whose strong internationalist sympathies well fitted him for Ambassador to the United Nations and personal advisor to the President on foreign policy.

The Senate and the House of Representatives are solidly, with minor exceptions, in the hands of the conservative wings of the two parties. This would suggest that on domestic policy there should be little difference between the President and Congress, but in fact the President has been forced by events to revise some of his conservative policies and thus has encountered some heavy opposition in Congress. On foreign policy Eisenhower was much more an internationalist than most of the Republican Congressmen, and he had helped to shape Democratic foreign policy from 1945 to 1951. As a result there is a difference of opinion between Eisenhower and Congressional leaders, and both have compromised.

The Problem of Inflation

Despite the fact that 1952 was a year of full employment and prosperity, it was also characterized by inflation. Inflation, very simply stated, means that there is an excess of purchasing power or money in the hands of the people in relation to the goods which can be bought with it; thus prices are driven up. Extreme inflation is bad because the value of money in terms of what it will buy declines. For example, a dollar before inflation might buy a pair of silk stockings but after inflation it might buy only one of the stockings, or the dollar in terms of stockings is worth only half as much. People whose incomes do not go up as prices rise and people to whom money is owed lose as a result of inflation. It was not a failure of production in the United States which caused this, but a change in the type of goods produced as a result of the Korean War. Resources which normally would have been used to produce consumers' goods (radios, cars, clothing, etc.) were being used to produce arms and munitions. Thus, while the total amount of production and employment (and therefore purchasing power) did not decrease, the amount of goods that the average person wanted to buy did; hence in order to get the goods available they had to compete for them or in other words bid up the price.

Various remedies are available to prevent inflation. During World War II increased taxes drained off some of the excess purchasing power and direct controls on both wages and prices reduced the amount of purchasing power. Controls were continued under the Truman administration after the war, but Congress gradually removed from the President the power to use this method of fighting inflation. During this campaign President Eisenhower promised to end inflation, but at the same time promised to end controls and reduce taxes so these latter two weapons would not be available if he lived up to all his promises. There are other methods of controlling inflation. One is through the control of bank credit and the other is to divert resources from munitions back to consumers' goods. The first has been used but in regard to the second Eisenhower had promised not to weaken the defence effort if elected so this method would not be used to any appreciable extent.

Thus when President Eisenhower took office he was faced with a promise to reduce inflation but also to reduce taxes, end price and wage controls, balance the budget and yet not weaken the defence effort. What did he do?

The Budget

It is an axiom of democratic politics that power breeds responsibility. That is, when a person or party is not in power irresponsible statements or claims can be made, but once power is achieved, and the blame for actions taken or not taken must be accepted, statements and claims become more restrained and responsible. General Eisenhower and the Republican Party were perhaps no more irresponsible in their pre-election promises than any other party has been, but once they were faced with the task of implementing their promises, (which in some instances seemed to be contradictory), they were in difficulty. As soon as the President's economic and financial advisers began to survey the scene they told him that he could not reduce taxes and at the same time keep up expenditures and that there was no hope of balancing the budget or reducing the national debt in the near future. But in the United States the President must get the prior approval of Congress and especially of the House of Representatives to raise revenue and to spend money. Despite his promises to reduce taxes by ten billion dollars the President had to ask Congress **not** to reduce taxes. The first important bill introduced in the new Congress, however, was a bill to reduce taxes. The President warned Congress that expenditures would have to be cut or the budget would be farther from a balance than it was under the Democrats. (A balanced budget means that revenue and expenditures are equal; an unbalanced budget may mean that revenue from taxes exceeds expenditures in which case there is a surplus, but it generally means that revenue from taxes is less than expenditures in which case there is a deficit which has to be made up by borrowing, which increases the national debt.) While he promised to reduce expenditures and did so in his budget, the President knew that the largest part of expenditures was for defence (73%) either in the form of expenditures on the armed services of the United States or for foreign aid; and to weaken this area would not be wise. He was forced, therefore, to repudiate his promise of a tax cut and to fight his own Party in Congress on this issue. At the time of writing Congress has adjourned without passing the tax reduction bill.

Despite the fact that the President had promised not to reduce the defence effort, he claimed that defence expenditure could be cut if the Administration's efficiency were increased. To this end he asked Congress for an appropriation amounting to about nine billion dollars less than President Truman had requested for the same period. Congress in turn managed to further reduce the President's request by about 3.4 billion dollars, providing finally for appropriations totalling about 62 billion dollars. The total expenditure for the period is estimated at about 74.1 billion dollars (the President has a large carry-over of funds authorized but not spent in previous years.) whereas the total revenue from taxes will be about 68.5 billion dollars. Thus the government will have to borrow about 5.6 billion dollars to make up the deficit. The net result is that President Eisenhower has not been able to reduce taxes or balance the budget. He has reduced expenditures, however, and thus the amount he will have to borrow. The major areas of reduction had of necessity to be in defence, including foreign aid.

What effect will this have on the rest of the world? This will depend upon many factors, but at the risk of over-simplification it can be said that it depends to a very great extent upon what the Administration has done and will do with regard to foreign trade, which is partly domestic and partly foreign policy. On the whole the Democrats favor a freer trade policy than the Republicans. Under such a policy the United States should buy more from other countries. The simple argument against doing this is that it causes unemployment at home. There are sound economic arguments to refute this one, but it has caused temporary unemployment in the past and this makes a strong political argument in favor of tariffs to keep out foreign goods. The Democrats campaigned on a "trade-not-aid" slogan. That is, countries like Britain and France need help to restore their economies and to build up their strength against aggression and this help can take either of two forms: direct gifts paid for by the American taxpayers as has been largely the case since 1947, or increased buying from them so that they in turn will have more American dollars to buy the goods they need. If they are to secure the goods they must buy them or be given them. If they are to buy them they must sell more of their own goods in the United States in order to earn the dollars to pay for the American goods. There is, of course, another possibility—neither trade nor aid.

This latter policy was not far from that of some Republicans during the election. They argued that tariffs could not be reduced if it meant that domestic industries might suffer and at the same time they said that the American people could not subsidize Britain and France forever. While this was not President Eisenhower's policy in such rigid terms, he did both before and especially after the election specifically favor reduction of foreign aid while not at the same time strongly advocating reduction of tariffs.

The answer to the question posed, then, is that if the cut in foreign aid brought about by the desire to reduce expenditures is not compensated for by reduced tariffs and thus more buying from abroad (and there is little sign of this by August, 1953), there will be a bad effect upon the economies of countries like Britain and France. An unfortunate result of this policy in the international field might well be the creation of a rift between the United States and their allies and a reduction in the defence efforts of the West.

Civil Rights

Other domestic matters were of less importance in their impact upon other countries, but they were not negligible. Civil rights, of which the treatment of Negroes is the most important issue, was one of the major issues in the campaign. President Truman had tried consistently to secure approval from Congress for a Federal law to prevent discrimination against Negroes in employment opportunities, but Congress had refused to pass such a law. The Southern Democrats and most of the Republicans opposed it. President Eisenhower tried during the campaign to avoid this issue, but finally came out in favor of leaving it in the hands of the governments of the various States. The Negro problem for years had been the concern of the South and therefore it could be argued that it was not a national mat-

ter and should not be dealt with by the Federal Government. With the improvement in agricultural techniques in the South, however, many displaced Negro farm workers have been forced to move north and west into the industrial areas in search of employment so that the matter has ceased to be purely sectional and has become national. Because of his campaign stand President Eisenhower has been able to avoid this question and he appears to have the support of the Republican Party and many Democrats. The failure of the various governments in the United States to move more quickly to improve the position of the Negro has had unfortunate results internally, and it has raised some doubts externally, especially in the minds of non-whites in Asia and Africa, as to the sincerity of the United States. It should not be forgotten, however, that great strides have been made in the last ninety years and that the problem is not an easy one to solve. Many of the countries which criticize the United States have much greater discrimination against some of their own peoples.

The question of inefficiency in government has little external impact, but on this matter President Eisenhower seems to have taken some corrective action. It is extremely difficult to operate a government the size of that in the United States (in June, 1952, there were 2,603,288 **civilian** employees in the Executive Branch alone) without a certain amount of inefficiency, and both the Republican and Democratic parties have been confronted with it in the past. It seems to be true that the longer a government remains in power the more likely there is to be inefficiency, but this is not necessarily a principle of politics because many governments which have been in power for only a very short period have had bad records in this respect.

The Problem of Communism

Another of the major issues of the campaign was Communism in government. Senator McCarthy, a Republican from Wisconsin, made this a major issue by his attacks upon the State Department under Secretary of State Dean Acheson; but Senator McCarthy was by no means alone in this feeling. President Eisenhower and other important Republicans took up this issue and promised to clean out all the "Reds" who were threatening American security. The results to date are not impressive. Senator McCarthy and other Republicans, including the President, were grossly exaggerating the number of Communists in the State Department and other government agencies or they have been unsuccessful in exposing them. Senator McCarthy has been the center of a storm of controversy, not because of his purpose but because of the methods he uses. Those who support him, and there are many, argue that the internal threat of Communism is great and that in times of national insecurity traditional safeguards of individual rights must be modified. His opponents say he has exaggerated the number of Communists, that he has not really exposed any, and that his methods violate the fundamental guarantees of individual rights which are so necessary in a healthy democracy. While it would appear that there has been a good deal of exaggeration on both sides, Senator McCarthy continues his attacks upon the State Department and other agencies. One incident will illustrate the importance of this for foreign policy. The State Department maintains

libraries overseas for the use of people in other countries who want to find out about the United States. In the early months of 1953 Senator McCarthy decided that certain of the authors whose books were in these libraries were Communist or pro-Communist, and as a result of his pressure many of the books were removed from the libraries. There have been differences of opinion in the past in the United States on the question of book censorship, but most of the people have opposed it in any form. After much public protest both President Eisenhower and Secretary of State Dulles stated that most of the books would be restored to the libraries and that similar incidents would not occur again. Foreign correspondents generally reported that this injured the prestige of the United States abroad. The peoples of Europe especially had been familiar with suppression of the free press and free expression of thought but they were surprised to see it being applied by the United States.

On the domestic front, then, the new Administration has made few major changes. It did not reduce taxes nor balance the budget although it has promised to reduce expenditures; it reduced foreign aid without reducing tariffs; it failed to revise the Taft-Hartley Labor Act and the McCarran-Walter Immigration Act, both of which President Eisenhower had promised to change; despite the creation of a new department to deal with health, education and welfare, the promised increase in social security benefits did not take place; and finally, the Administration has not effectively reduced inflation. On the other hand, the President, as promised, returned control over coastal oil deposits to the States, cut foreign aid and general defence expenditures, abolished wage and price controls and took steps to abolish inefficiency and Communism from the government.

FOREIGN POLICY

The record of the new Administration in foreign policy is even more difficult to assess than the record in the domestic field because the results may not appear for some time, but a brief comment on some of the problems confronting the Administration might be useful.

The Korean War

The most important foreign policy issue was the East-West struggle and the most important manifestation of this struggle was the Korean conflict. The course of the Korean negotiations is discussed elsewhere in this Bulletin, but since Korea figured so very prominently in the election campaign it cannot be omitted from a discussion of United States policy.

Both pre-election and post-election signs have shown that there was a general feeling of frustration in the United States towards the Korean War. Some people held that Korea was a mistake from the beginning and advocated complete withdrawal. Others favored an extension of the war across the Yalu River into China proper. Some even wanted a preventive war against the Soviet Union while others were more restrained in their demands for at least a limited victory by arms and diplomacy. But the majority of people just seemed frustrated. They did not want to pull out or to extend the war but they did not like the situation which existed. If the Truman Administration

could do nothing to change the situation, many seemed to say, then let Eisenhower try. This feeling was given a tremendous boost by Eisenhower's promise, if elected, to go to Korea and see what could be done to end the war.

Immediately after the election, but before taking office, Eisenhower visited Korea. After touring the battle area and conferring with military leaders Eisenhower said there was no easy solution to the problem. Then on February 3, 1953, Eisenhower as President made a move which caused temporary consternation in some capitals of the world and rejoicing in others. Shortly after the outbreak of the Korean War President Truman had ordered the United States Seventh Fleet to "neutralize" the Nationalist Chinese island of Formosa. This was intended to prevent the extension of the Korean War by making impossible Communist attacks on the island and Nationalist attacks upon the Communist mainland. President Eisenhower announced that the Fleet would no longer be used to prevent Nationalist attacks upon the mainland but by implication suggested that it would still prevent Communist attacks upon Formosa.

Strong efforts had been made up to this time to prevent Nationalist Chinese forces from entering the war and thus giving Communist China an excuse to broaden the war. In addition, many of the nations of the world, including Britain, had recognized Communist China and disagreed with the idea of giving the Nationalists any aid to attack the Communists. While other nations fighting against aggression in Korea had not been consulted on the original "neutralization", they supported the policy and hence were concerned about the change. They expressed the fear that this would only be the first step in broadening the war in the Far East, but this has not been justified by the events. The United States has, it is true, increased aid to Nationalist China but there has been no strong Administration move to use Nationalist troops in Korea nor has there been any effort to support Nationalist activities on the mainland.

The next important event was the statement by Senator Taft, Republican Floor Leader and President Eisenhower's strongest opponent for the Republican nomination in July, 1952, at Chicago. Senator Taft, often called "Mr. Republican", stated on May 26, 1953, that the United States should try to negotiate a truce at once and if this failed they should forget the United Nations as far as the Korean War went and act independently in Korea. This was met by a varied reaction but on balance both in and outside the United States there was disagreement. On May 28 President Eisenhower openly disagreed with the Taft statement and said, in effect, that if the United States decided to "go it alone" in Korea it would have to do so everywhere. This, he said, would be impossible. Taft's illness and death prevented him from challenging the President had he desired to do so.

Truce negotiations meanwhile were proceeding in Korea and the Administration was following much the same policy as that of the previous Administration. The first hopeful sign in negotiations came with the acceptance on March 29 by the Communist military leaders of the United Nations offer to exchange sick and wounded prisoners. Negotiations started on April 5, and on April 19 the exchange began.

On April 26 general truce talks, which had been recessed since October, 1952, began again and there were hopeful signs of a truce. At this stage opposition to a truce arose in a new quarter. President Syngman Rhee of South Korea rejected the United States proposals on May 27.

Many reasons have been advanced for Rhee's opposition to a truce among which the following are important: an attempt to exert pressure on the United States to grant economic and military aid after the truce; a desire to unify Korea no matter what the cost, based on the feeling that to establish an artificial boundary across Korea would just lead to more aggression; Rhee's fear that his political position in South Korea depended upon the presence of United States forces, which might withdraw after the truce. Which if any of these reasons is correct will not be apparent for some time.

As a truce became imminent Rhee inspired the South Koreans to demonstrate against it and made certain demands upon the United States. President Eisenhower sent a personal representative, Mr. Walter S. Robertson, to negotiate with Rhee. After long discussions the United States agreed to Rhee's request for economic aid but rejected his demands for a comprehensive defence pact and for a guarantee that the United States would assist South Korea to unify the country if the political conference had not come to an agreement within ninety days. Robertson was instructed to agree to the conclusion of a very limited defence pact.

During the course of the discussions Rhee ordered the release of 27,000 North Korean prisoners of war. This unexpected move almost ended truce efforts. But despite it and despite Rhee's demands, the United States decided to sign, for the United Nations, a truce agreement on July 27, 1953, which brought to an end negotiations which commenced on July 10, 1951.

Rhee did not block the signing of the truce, but immediately afterwards he announced that the United States had promised immediate and automatic action to unify Korea if the conference failed to agree on unification within ninety days. Even though Rhee controlled about two-thirds of the available United Nations ground troops and was therefore in a strong position to make demands, Secretary of State Dulles denied the Rhee statement but announced that he would visit Rhee in Korea. Dulles went to Korea, and after discussions with Rhee, announced that the United States had promised economic aid amounting to two hundred million dollars immediately and one billion over a four-year period, and a defence pact of a limited nature providing for United States aid in the event of an attack upon South Korea. Dulles refused to promise aid for forcible unification of Korea but agreed to discuss unification with Rhee directly, if the political conference did not reach agreement within ninety days, and if there was proof of Communist bad faith.

And so the situation stands in Korea. The United States has announced that it will absolutely refuse to discuss at the conference the seating of Communist China instead of Nationalist China in the United Nations. At the time of writing the United States has also opposed British and Canadian, as well as Communist, requests for

the inclusion of India in the political conference on the grounds that India did not have armed forces in Korea. Whether or not President Eisenhower deserves credit for reaching agreement on a truce, most people in the United States have given him the credit. In this sense he has fulfilled his major campaign promise.

American Policy in Europe

The second great area of American interest in the East-West conflict is Europe. During the campaign both Eisenhower and Dulles seemed to blame the Truman Administration for the success of the Soviet Union in asserting dominance over countries of Eastern Europe including Poland, Czechoslovakia, Roumania, Bulgaria and Hungary—the countries other than the Soviet Union behind the so-called Iron Curtain. They made vague promises about giving active assistance to these peoples to throw off Communist control and they also intimated that they would repudiate the Yalta Agreement of February, 1945 (See above).

After the campaign, when responsibility for action rested with Eisenhower and Dulles, the picture changed. Dulles made one more promise to actively assist these people, and then began to withdraw from that position. Allies of the United States in Europe had been horrified at the suggestion, for they knew, if Dulles did not, that any attempt at active liberation of these peoples would result in wholesale massacres by the Communist regime, and might lead to World War III. They assumed that the United States was not prepared to start another war, and said it was wrong to raise the hopes of the peoples behind the Iron Curtain, even inspire them to revolt, and then not come to their aid. When Eisenhower and Dulles were confronted with these arguments they withdrew to the position of expressing sympathy for the aspirations of the oppressed peoples. At the same time they began to realize what it would mean to unilaterally repudiate an agreement on the ground that an American President had, in effect, betrayed his own and other countries' interests.

But before they could retract their suggestion the Senate stepped into the picture. Many Republican Senators saw an opportunity to make political capital at home by blaming Roosevelt, so they demanded what Eisenhower and Dulles had originally promised. But Eisenhower and Dulles now blamed the Soviet Union for violating the terms of Yalta regarding Europe, and refused to repudiate it on the original grounds. A deadlock occurred between the President and the Senate, and the matter was finally dropped.

The Truman Administration had supported the idea of the unification of Europe and the creation of a European Defence Community including West Germany. Early in February, Secretary of State Dulles made a tour of Europe in order to press these policies upon the European nations. During the course of his tour he made some rather outspoken comments about the other countries and threatened them with reduction of economic aid if they did not quickly create the Defence Community and a European Army. He later modified his statements, but they created some ill-feeling in Europe towards the United States. The Administration has continued to press for accept-

ance of the treaty, but at the time of writing it has not yet been realized. (See Section on France in this Bulletin.)

There are many other aspects of United States foreign policy but on the whole they have not been changed by the new Administration. President Eisenhower has been faced, and will continue to be faced for the next year at least, by a Congress in which his party has bare control, and by a party in which there is little unity on foreign policy. For these reasons he has been forced to go slowly or face defeat on his measures. Foreign aid, in line with his own wishes, has been reduced by Congress, but Congress went farther than he was prepared to go. Reduction of tariffs has been put off despite initial statements by Eisenhower. Suspicion and ill-feeling between some Western countries and the United States appears to have increased rather than decreased, and no real attempt has been made to meet with Soviet leaders. In short, the new foreign policy promised by President Eisenhower and Secretary of State Dulles has not clearly emerged. But there has been a truce in Korea, and this may be the most significant factor of the period.

CHAPTER IV GREAT BRITAIN

The relative influence of Great Britain in world affairs has declined somewhat in recent years. The United States and the Soviet Union have already become stronger than Britain, and nations like China and India may soon be in the same position. Many people in Britain and other countries have failed to see this change, or if they have seen it they have refused to admit that it has taken place. The result is that Britain is too often expected to retain or assume responsibilities far beyond her power to carry them out. Here as with France there has been a failure to adjust historical thinking to current realities.

Britain was probably the most important world power during the nineteenth century, at least until the rise of Germany in 1871; but her position has been changed by the rise of non-European powers and the effects of two world wars. Frustration with the present world situation often gives rise to the suggestion that if only Britain were "running things" again it would be a better world. Whether or not it would be is incapable of proof, but it is really beside the point because the very history of British foreign policy is testimony to the fact that, rightly or wrongly, those states with the most power "run things".

This is not to say, however, that Great Britain is not still a powerful voice in world affairs. Her influence, direct and indirect, upon the course of events in the past year has been very important.

DOMESTIC AFFAIRS

The United Kingdom of Great Britain and Northern Ireland, with a total area of 94,504 square miles and a population slightly over fifty millions, is a constitutional monarchy with a responsible form of government. In an absolute monarchy the king or queen has all the power of government, whereas in a constitutional monarchy the

power of the king or queen is limited and defined by the constitution. In Great Britain the real powers of Queen Elizabeth II are very few, and when she exercises them she must always have the advice of her Ministers. (There are one or two rare instances in which the Queen might have to choose a new Prime Minister without the advice of the previous one, but these are the exceptions that prove the rule.) A responsible form of government is one where the Ministers of the Cabinet are members of and responsible to the Parliament. If Parliament does not like what the Prime Minister and his Cabinet are doing, its members can vote him out of office. This is the same system as we have in Canada but it is different from that in the United States. The President of the United States is not a member of the Congress; he is elected directly by the people for four years and cannot be removed by Congress if his policies are not liked. His Cabinet Members are not elected, but appointed by him, and they are not members of Congress. The term "responsible" implies that the head of government is responsible to the people **through** Parliament; whereas in the fixed executive type of government the head is directly responsible to the people.

Political Parties in Britain

During the last one hundred years in Great Britain there have been only three major political parties, that is, parties large enough to have a majority in the House of Commons and form a government. These have been the Conservative, Liberal, and Labour Parties. At the beginning of this century the Conservatives and Liberals were the two great parties; the Labour Party was not formed until 1906. The Labour Party grew slowly in strength as the Liberal Party declined. The great struggle came in the 1920's and early 1930's, and before the outbreak of World War II it was clear that the Liberal Party had ceased to be a major party. The election of 1945 was final evidence that the Labour Party had clearly become the second great party and that the Liberal Party had all but disappeared.

The Labour and Conservative parties disagree on the question of the ownership of productive property, such as industry and public utilities. The Labour Party holds that it should be under public ownership while the Conservative Party favors private ownership. Because of this difference the Labour Party draws most of its support from the working class while the Conservatives draw their support from the farmers, landowners, industrialists, businessmen, etc. There is another large class in Britain, however, which has not committed itself to either party—the middle class or "white-collar" workers. If either Party is to win an election it must have the support of a large group from the middle class. The result has been that both parties have modified their extreme stands on the question of public ownership. The Labour Party does not expect to nationalize all of or even a majority of productive property, whereas the Conservative Party has agreed that some property, and especially public utilities, must be nationalized.

Labour had formed a government for two short periods before 1945, the first for ten months in 1924 and the second from June 1929 to August, 1931. But on both of these occasions they were in a minority position in the House of Commons and had to depend upon the Liberal

Party for support. But the Liberals were opposed to public ownership, so Labour could not put their policies into effect. The victory of 1945, however, gave the Labour Party 393 seats out of a total of 640. Thus for the first time they were in a position to nationalize industries, to increase social services and to exercise more planned control over privately-owned but important industries.

The Labour Government, 1945 - 1951

There was some fear expressed that this great economic and social experiment might lead to internal strife and unrest. It was suggested on the one hand that the Labour Party might abolish political institutions, and on the other that the Conservative Party and its supporters would refuse to recognize acts of the Labour Government. The history of British political development should have been sufficient to render these fears meaningless. Both the Liberal and Conservative parties had introduced public ownership in certain areas before 1945; there already existed a vast system of social services; and during World War II especially, Winston Churchill's government had shown a happy disregard for private ownership and control by bringing almost every aspect of social and economic activity under the control of the government. So the Conservative Party on the one hand recognized and admitted that social and economic reforms were necessary, while the Labour Party on the other realized that it could not go too far or too fast. Labour carried out their promises to nationalize the Bank of England, overseas air transportation, overseas communications, the coal mining industry, the railroads, electricity and gas distribution, the iron and steel industry and the trucking industry. This only accounted for about 20% of productive property; the remaining 80%, which included most of manufacturing, all ship-building, wholesale and retail trade, publishing, etc., was left under private ownership. The Conservative Party strongly objected to the nationalization of iron and steel, and trucking, both of which they have started to return to private hands since they came back to power. Their criticism of the remaining areas of nationalization was directed at the way in which it was being carried out.

There was even less opposition to the extension of social service payments than there was to nationalization. A National Health Service was created in 1948 which, with some minor qualifications, introduced a system of complete government payment of all medical expenses. A National Insurance Act introduced new forms of social insurance and extended already existing schemes. Finally, great improvements were brought about in educational facilities.

While all these measures did much to improve both the standard of living and the health and general welfare of a large section of the British people, they were expensive. The British economy had not recovered as rapidly after the war as had been expected. Towards the end of the first five years of Labour Government the people began to express discontent with the high cost of living and the lack of housing. Local elections to county councils began to show a swing to the Conservatives, and, while these are not always a sure indication of the way the national elections will go, they were so in 1950. Prime Minister Attlee called an election in

which Labour was returned to power with a much reduced majority, 315 out of 625 seats.

Labour refused to modify its nationalization program, despite Conservative demands for delay in taking over the iron and steel industry. But the real factor which contributed to the next defeat was an internal split in the Labour Party over the amount to be spent on armaments. The Korean War had forced all the Western countries, including Britain, to increase their output of armaments. Health Minister Aneurin Bevan led a large group in the Labour Party which was opposed to any reduction in social service expenditure resulting from increased spending on armaments. Bevan and others left the Cabinet in the summer of 1951, and Prime Minister Attlee called another election.

The Election of 1951

The Conservatives won the election of October 25, and Prime Minister Churchill formed a government. The Party had 321 seats out of 625. The changes in the popular vote, and thus in the attitude of the people, were not as great as the changes in seats might suggest. The following table compares the popular votes and the number of seats in the three elections:

	1945		1950		1951	
Conservatives (and close supporters)	39.9	212	43.5	298	48	321
Labour	48	393	46.4	315	48.7	292
Liberal	9	11	9.1	9	2.5	6

NOTE: The first column in each year represents the percentage of the popular vote and the second column the number of seats in the House of Commons. The Conservatives were able to win a majority of seats with a popular vote less than Labour in 1951 because they won many ridings by a scant majority while Labour won fewer ridings but by a larger majority.

While Labour has increased its popular vote slightly since 1945, the Conservatives have made greater gains, not from Labour but from Liberal supporters. This is one of the keys to the last two elections. Liberal Party supporters finally realized that they were supporting a lost cause. They had to choose between Conservative and Labour; and their choice was dictated not only by the fact that they came mainly from the same classes that supported the Conservatives but also because they have been traditionally opposed to too much extension of government economic activities.

Prime Minister Churchill's government has not "turned back the clock" on nationalization or social services. As was mentioned above, the iron and steel industry and the trucking industry are being returned to private ownership. They have made some reductions in national health services, but there have been no major changes.

The Labour Party continues to be divided over the question of armaments versus social services, but the division has been widened recently as a result of Aneurin Bevan's challenge to Mr. Attlee's leadership on the question of the speed of nationalization. Mr. Bevan wants the Party to campaign on a platform of much more rapid and extensive nationalization, whereas Mr. Attlee wants to go more slowly.

Trade and the British Economy

Britain's major problems, both domestic and foreign, are economic. The British people are in the unfortunate position of literally having to import to live. Some countries, like the United States, can be almost self-sufficient because they can produce within their own borders almost everything that they require. They enter into trade because there are a few vital products which they do not have, and because they can buy from other countries some products for less than they can produce them at home. Great Britain, on the other hand, must buy from abroad not a few selected products but the majority of her raw materials and food. The British population is far larger than the natural resources of the island can provide for. Thus for Great Britain a high volume of trade is an absolute essential, whereas the United States could exist without most of its trade, even though the living standard would be lower. If Britain must import to live, she must also export to live, because she has to sell manufactured goods abroad in order to earn foreign currency to pay for raw materials and food.

During the nineteenth century Britain out-produced and out-sold other industrial nations in textiles, iron and steel products, coal and shipping. She was able to do this not only because the Industrial Revolution started in Britain and gave her a lead in techniques over other countries, but also because she could buy very cheaply the raw materials for her great textile industries and food for her workers. During that period Britain was able to export more than she imported and lend or invest the profits abroad. Countries like Canada and the United States bought goods from Britain on credit and promised to pay back the loan with interest over the years. Britain also took payment in the form of shares in the great overseas industries; this is called investment.

But before the end of the nineteenth century Britain's position began to change. Petroleum began to replace coal and Britain had no petroleum; other countries, especially the United States, began to produce textiles and other manufactured goods; and Britain did not introduce mass-production methods as quickly as the United States. Then World War I came along and Britain had to bear the cost of her own war effort and that of some of her allies. While her import requirements increased, her exports decreased because she had to switch from the production of goods for export to the production of war materials. How was she to pay for her imports?

Effects of Two World Wars

Even before the war Britain's imports had begun to exceed her exports, but the difference was made up by interest receipts from her overseas loans, by profits from her overseas investments and by receipts from her shipping services. During the war she could not export in quantity and her shipping was either partially destroyed or converted to war use. So she had to depend on interest payments and returns from her investments. But even these were not enough, and to get more foreign currency she began to sell some of her investments. This in turn meant that her future returns from investments would be reduced. Britain did receive loans from the United States during the war, but they just made matters worse, because Britain would now not only

have to pay for her imports but also pay back the money she had borrowed. The cost of the war, the loss of some of her overseas markets like Germany, and her debt obligations were enough to place Britain in a perilous position when the depression came in 1929. The decline in incomes throughout the world meant that other countries could not buy goods from Britain, so Britain had to reduce her own imports. By 1938, despite cuts in her imports, she was buying from abroad goods to the value of 44% more than she was selling abroad. She was able to make up most of the deficit from her shipping receipts and returns from foreign investments, but she had to dispose of more of her foreign investments as she had done during the war. This was not a situation which could last indefinitely; but as long as she had sizeable foreign investments she could pay for her imports.

World War II changed the whole situation. While World War I had been a serious drain upon the British economy, World War II almost destroyed it. The events of World War I were repeated on a much greater scale; and a new factor now entered the picture. Very little destruction from bombing occurred in World War I, but the devastating attacks of the German air force during World War II destroyed much of Britain's industrial potential, as well as residential areas. In order to make up for these losses, Britain had to sell almost a third of her remaining overseas investments, including many of those which had brought the greatest returns. After World War II Britain became for the first time in her history a net debtor nation: that is, she owed more to all other nations combined than they owed to her. Added to the destruction of her industries and the loss of her investments was the loss of shipping income, because of sinkings and because of new competition from the United States.

Measures for Economic Recovery

Britain had two great tasks after the war which conflicted with each other. She had to rebuild and repair her domestic economy. Factories had to be rebuilt and equipped, houses had to be rebuilt or repaired, railways had to be repaired, and the people wanted clothes, furniture, and other such goods. The other task was the restoration of her export industries and the recovery of her export markets. The task was rendered more difficult by the fact that she had to increase her exports greatly over pre-war levels because she had to pay for more of her imports by exports. Her export trade in 1945 had dropped to about two-fifths of what it had been in 1938, while her demand for imports was much greater.

Many different methods were used to adjust to the new situation, but in essence they boiled down to reducing imports and expanding exports. This created a double burden for the British consumer. The reduction in imports meant that there was less food available, and the increase in exports meant that resources had to be moved to the export industries from industries producing goods for sale in Britain.

Under the Labour Government great strides were made in economic recovery, but by 1950 Britain was still importing more than she was exporting. Several new factors arose in 1950-51 to render further economic recovery more difficult, and even to imperil the progress of

the previous five years. The United States began to reduce its economic aid to Britain, the Korean War created an increased demand for armament production, the cost of nationalization and the social services was high, the United States began to buy more raw materials on the world market for stock-piling, thus driving up the price of many essential imports, Japan and Germany began to re-enter the world markets and compete for British export markets, and Britain's contributions to Western European defence forces and to the fight against Communism in Malaya were increased.

The Churchill government came to power in October, 1951. They had promised to increase the defence effort, to improve the standard of living of the British people and to improve Britain's world trade position. The actual defence expenditures in 1952-53 and the estimated defence expenditures for 1953-54 both exceeded the figures for 1951-52 under the Labour Government. Mr. Bevan had argued that Britain could not keep up the pace she had set in armament production without reducing the standard of living; and despite the increase in total defence expenditures, Mr. Churchill had to admit by March, 1952, that Mr. Bevan had been right. In other words, even though total defence expenditures increased, the amount spent on armament production decreased. The three-year armament program planned by the Labour Government in 1951 with the support of the Conservatives had to be spread out over four years. The major reason for this was that materials required for armament production were needed even more for the engineering industries upon which Britain was depending for an expansion of her exports.

Since the major problem for the Conservative Government was still foreign trade, they combined the reduction in armament production with other measures. All but essential imports were restricted; pressure was applied by the Government to direct resources away from industries producing for home consumption to the export industries; new production techniques were introduced to lower costs of production; new markets for exports were explored and attempts were made to conserve dollar exchange by purchasing imports in countries other than the United States and Canada.

The last measure mentioned in the previous paragraph draws attention to a problem which is the cause of many of the others. Britain, even after her restrictive import policies of the past few years, still has her greatest trade deficit with the North American area, mainly the United States and Canada. That is to say, the excess of her imports from that area over her exports to that area is greater than her excess in any other trading area. In fact, in almost every other major area in 1952 she had an excess of exports over imports. Thus the foreign currency which she needs the most is dollars. But the United States (and Canada to a lesser extent) have made it difficult for Britain to sell goods there and thus earn dollars, by keeping up high tariff barriers. A tariff is a charge levied against an article coming into the country, which raises its price and generally reduces the amount sold. The reason for imposing most tariffs is to protect inefficient domestic industries. Thus in order to protect inefficient American industries against more efficient British industries, the

United States government, by imposing a tariff, raises the price of the British good until it is at least as high as the price of the American good. Thus the people of the United States are forced to pay more for their goods and Britain cannot earn the dollars she needs to pay for imports from the United States. Tariffs are used by many other countries as well as the United States, but because the United States offers such a large market for British goods, their tariffs are more harmful to the British position.

This is at the root of the British cry for "trade-not-aid". They are telling the United States that they would much prefer to earn their own way by being given a chance to compete in United States markets, instead of continuing to receive aid, which too often is classed as charity by anti-British elements in the United States.

FOREIGN POLICY

British foreign policy has had certain traditional bases of which the most important have been her geographic location, naval supremacy, world trade, balance of power policy in Europe and her imperial or colonial interests.

Britain's geographical location close to Europe, but separated by the Channel to a greater extent than its width would suggest, has been one of the important factors which led her to the other bases of her policy. She had to depend upon a navy much more than an army for protection not only of the home island but of the trade routes and overseas areas which were so vital to her very existence. Her trade position has already been mentioned above, but it cannot be too strongly emphasized that Britain has been forced to import in order to exist. Other countries may trade to improve their standard of living but Britain must trade in order to have a standard of living.

The Balance of Power in Europe

From at least the time of Henry VIII in the sixteenth century, a major principle of British foreign policy has been the maintenance of a balance of power in Europe. Britain worked to prevent any one power from dominating Europe, by giving her support to a state or group of states which was prepared to oppose the dominant power of the time. While there were lapses from this policy, it was fairly consistently followed.

And finally, Britain has been the greatest imperial power of modern times. Her world position depended on her colonies and dependencies, and to preserve the empire and protect the lines of communication within it has been one of the bases of her policy.

Britain's great century was the nineteenth, but her power was beginning to decline before that century closed. British diplomacy had been fairly decisive until the end of the century, but then an element of indecision appeared. The extension of democracy in Britain certainly made the conduct of foreign policy more difficult, but there were other reasons including the extension of the area in which international relations had to be conducted. Britain's power began to decline for reasons often beyond her control. Technological improvements operated to reduce the importance of her insular position, to reduce her naval supremacy and to decrease the advantage she had

had in the production of manufactured goods. The rise of the United States, Japan and Germany meant new naval, commercial and political competition.

Thus the fundamental bases of British foreign policy have been weakened. Her island position is still important, but the development of air power and guided missiles has reduced the significance of the "unsinkable aircraft carrier". Her navy is still great but it has been surpassed by the United States navy. For the last fifty years her trading position has become increasingly difficult because of the rise of competitors and the havoc of two wars. The extension of the scope of international relations to the whole world makes a policy of the balance of power more difficult to apply, even if Britain were still powerful enough to do so. Finally, while the Empire and the Commonwealth are still great, recent changes in India, Burma, Eire, and Africa have reduced their importance.

The decline of her sea power, her vulnerability to air power, the loss of her economic position, and her still great international commitments suggest that Britain must find new bases of foreign policy. These new bases, while taking account of the greatness of Britain, must not confuse the visions of the nineteenth century with the realities of the mid-twentieth century. There is considerable evidence that the British people and British statesmen are coming to realize and accept the necessity for a change. Their withdrawal from India, Pakistan and Burma and their plans for withdrawal from some of their African holdings, their transfer of defence responsibility in Greece and Turkey to the United States, and their acceptance of United States leadership in Western Europe are all signs of the change.

Korea

While the United States and South Korea have had to carry the greatest military burden in Korea, British forces have played a not inconsiderable part, and that part would no doubt have been much greater had British troops not been committed to the defence of Western Europe, the Suez, Malaya, Hong Kong and other points. Many of Britain's problems over Korea have arisen as a result of the fact that the United States have not consulted Britain before making major changes in policy there, and because they have never had a common policy regarding Communist China. Late in June, 1952, the United States Air Force bombed North Korean power plants near the Yalu River and thus close to the borders of Communist China, without either consulting or informing Britain in advance. The British feared that a repetition of such action might lead to an extension of the Korean War into China, and therefore protested to the State Department. Secretary of State Acheson apologized to Britain and asked Britain to appoint a senior officer as Deputy Chief of Staff to General Clark so that Britain would be aware in advance of other similar actions. The difference between the United States and Britain over the Indian resolution in the United Nations has already been mentioned, as has the British concern over President Eisenhower's orders to the Seventh Fleet in February.

On May 11, 1953, Prime Minister Churchill made a major foreign policy statement in the House of Commons. He indicated that recent Chinese Communist proposals for a truce seemed to be acceptable and he implied that the United States was wrong in not considering the proposals. On the following day Mr. Attlee, Leader of the Opposition, charged that some elements in the United States did not want a settlement in Korea, but rather an all-out war in China. Both these statements, but especially the latter, aroused strong resentment in the United States, especially among senators like McCarthy of Wisconsin, Jenner of Indiana and Knowland of California, who had long favored an extension of the war against China. While the exchange of recriminations soon died down, this incident served to re-emphasize the basic difference between the United States and Britain on a broader question. Churchill had suggested in the same statement that a high-level conference be arranged between the Western powers and the Soviet Union to try to ease the tension between East and West. The United States rejected Churchill's suggestion for a conference on all major questions and insisted upon specific commitments by the Soviet Union in advance, all the while expressing doubts as to the value of such a conference. The British policy was one of going half-way to meet the Soviet Union, while the United States tended to oppose any concessions.

The conclusion of a truce in Korea on July 27 soon gave rise to further differences between the United States and Britain. Most of these issues have been mentioned above but it should perhaps be pointed out again that many of them spring from the different China policies of the two countries.

The Suez Canal Zone

In the 1880's Britain seized control of Egypt from the Turkish Empire in order to have a base from which to protect the Suez Canal. Although she gave Egypt independence after World War I, relations were still strained between the two countries because Britain maintained troops in Egypt. In 1936 they made a 20-year treaty by which Britain had the right to use Alexandria for a naval base, to garrison the Suez Canal Zone, to share in the defence of Egypt and to administer the Sudan jointly with Egypt. The increase of nationalism throughout the Middle East after World War II manifested itself in Egypt as an attack upon the British, culminating in the unilateral abrogation of the 1936 treaty in 1951. The Egyptian government stirred up riots against the British and other foreigners in the country, and threatened Britain with the use of force if she did not withdraw all her troops. Britain replied that one party to a treaty cannot end it, but offered to negotiate a revision of the treaty while ordering her troops in Egypt to stand their ground. During the latter half of 1951 and the first half of 1952, rioting and attacks on British positions continued. On July 23, an army officer, General Muhammed Naguib, overthrew the Egyptian government and forced King Farouk to abdicate. After attempting to govern the country democratically for a few months, on December 2, 1952, Naguib abolished Parliament for three years and on February 10, 1953, set up a military dictatorship.

At first it appeared as if Naguib would come to an agreement with Britain. In November he asked that negotiations be re-opened on British evacuation of the Canal Zone. Britain had a tremendous investment in the Zone in the form of docks, installations, barracks, roads, and so on. The yearly expenditures on these investments together with the expenditures on the 80,000 troops stationed in the Zone amount to about \$140,000,000, and Britain would like to use the money for other things. But she feels that she must defend the Canal area. Both Mr. Churchill and Foreign Secretary Anthony Eden have made it quite clear that their insistence on staying in the Zone has no imperialistic implications. They argue that Britain has the responsibility to defend that part of the Atlantic Community, which at first sight appears rather odd—but the North Atlantic Treaty Organization includes Greece and Turkey whose existence would be threatened if the Soviet Union gained control of the Zone. Thus it is not so much the Suez itself in which Britain is interested, as the long-established military base in the Zone: this area would provide the best defensive location in the Middle East in the event of a Soviet attack. The United States have agreed with the British policy there, but have not given the support, either diplomatically or economically, which might have been expected.

Britain has expressed her willingness to pull out most of her troops and leave only a small number of technical personnel to look after the installations and to help the Egyptians to operate them. They agreed to begin negotiations on April 27 to work out the details. But after two or three weeks General Naguib seemed to fear that he would be accused of being pro-British, so he withdrew from the negotiations. Secretary of State Dulles was touring the Middle East at the time, and it has been suggested that Naguib may have been trying to influence Dulles to bring pressure on Britain to withdraw. Prime Minister Churchill has stated plainly that Britain would meet force with force, if necessary, and he has also expressed the wish on several occasions that the United States would participate in the discussions. No improvement in the situation has been apparent in the past two or three months.

Iran

During most of the period under examination no new developments occurred to reduce the differences between Britain and Iran over Iranian seizure of British oil rights without compensation. In March, 1953, Premier Mossadegh of Iran had turned down what appeared to be a fair settlement of the dispute offered to him earlier by President Truman and Prime Minister Churchill. The Shah of Iran has been much more in favor of a settlement with Britain than has Mossadegh, and when he saw what the latter's policies were doing to the Iranian economy he tried to bring about his downfall as early as February, 1953. But the attempt failed. The Soviet Union and Iran appeared to be drawing closer together, and early in August they announced that agreement had been reached on several differences. Britain and the United States both feared that these developments might lead to Soviet domination of Iran, but before this threat to the Western position could increase, Mossadegh was overthrown by the

Shah's supporters. On August 19 a new Premier, General Zahedi, took office, and shortly afterwards re-opened negotiations with Britain for a settlement of the oil dispute. Because of the turbulent political situation in Iran, however, there is no guarantee that the negotiations will be successful.

Germany

Britain's policy regarding Germany is inseparable from her policy towards Western Europe as a whole. Although there has been general agreement among France, United States and Britain as to the handling of post-war Germany, Britain on the one hand has refused to be as harsh as France and on the other as soft as the United States. She has followed a policy designed to permit restoration of Germany economically and politically but not militarily in the sense that she would be strong enough again to attack the rest of Europe. The Labour Government had strong reservations about the United States policy of re-arming Germany, but the Conservative Government has been more inclined to support it. Mr. Churchill has repeatedly told Western Germany that British policy is not designed to thwart Germany's desire for full independence, but that she must regain the full confidence of the Western world by entering the defensive system of the West. British statesmen have worked to bring France and Germany closer together, but they have preferred to keep Britain outside any tight regional arrangement. It has been this British policy of urging France into very close union with Germany while herself rejecting formal ties, that has aroused French ire against Britain. France argues that any political system involving herself and Germany, without Britain to counter-balance Germany, would be bad for France. British statesmen have frequently promised, as did Mr. Churchill on May 11, 1953, that Britain would come to the aid of France if she were threatened by Germany, but this is as far as Britain will go. The British refusal to join in a close union with other European countries is based on their "membership" in two other political groupings, one of which at least does not include any Western European state. Britain says she is a member of the Atlantic Community which extends beyond Western Europe, and also of the Commonwealth. If she tied herself closely to France and Germany, she could not retain her freedom of action insofar as these other groupings are concerned.

The Foreign Ministers of Britain, France and the United States met in Washington in mid-July to discuss Germany. The result of their discussions reflected the United States rather than the British point of view. Churchill in May had called for a Big Four meeting to discuss all outstanding issues, especially Germany, without requiring commitments from the Soviet Union on specific issues in advance. The Washington Conference rejected his proposal and suggested instead a lower level conference of Foreign Ministers in September to discuss Germany. And the discussions were to be limited to securing agreement on free elections in all of Germany, and after that unification. This has been the Western attitude for over two years, so Churchill's efforts failed. Britain did a creditable job of covering up the differences, but they were a defeat for British diplomacy. (It should be noted that Britain and the United States do not disagree very much

on what they would like to achieve, but they do disagree as to the methods to be followed. The people of the United States charge that the British underestimate the Soviet Union's aggressive intentions, while the British charge that the United States refuses to make any concessions to the Soviet point of view. Both want a settlement with the Soviet Union, but they disagree on method and timing.)

Britain's immediate German policy was summed up by the Acting Prime Minister, Mr. R. A. Butler, on July 21, when he said that the British wanted Germany to enter the European Defence Community as soon as possible, after which there should be free elections in the whole of Germany, a free government for the whole of Germany, the conclusion of a peace treaty with the new government which would settle all territorial questions, and finally the inclusion of Germany in the United Nations system.

CHAPTER V FRANCE

Current events must always be studied in the light of history. Nowhere is this more true than in France. Any attempt to understand or analyze French domestic or foreign policy will fail unless the student has some knowledge of French history, especially the period since the Revolution and Napoleonic Wars. It is impossible even to sketch this period, but there is one important factor which must be remembered. The Revolution did not change the thinking or attitude of everybody in France: there are still many who believe in authoritarianism, a group often called the France of the *ancien régime*. This group likes the idea of a strong man at the head of government, a strong Roman Catholic church, the army and big business. But the Revolution did produce Republican France as well, liberal and democratic and characterized by a strong middle class. There has also grown up in France an extreme element of the latter group which favors economic as well as political liberty, and which is represented in Parliament by the various Socialist parties. Finally there are the Communists whose policies are dictated by the Communist party in the Soviet Union. Thus there has been a divided tradition in France. In addition there has been France's decline in population relative to other European powers (second in 1850, fifth in 1953), the peasant nature of her agricultural economy, and her failure to keep up industrially with other European and non-European powers.

France, for so many years the most powerful nation in Europe, has always looked upon herself, and still does, as the real Europe; but she has failed to adjust her historical thinking to current realities. These current realities are many, but four of the most important are: France's reduced importance; the reduced importance of Europe generally; the rise of the Soviet Union as the greatest power on the continent; the rise of the United States to world leadership including the leadership of Western Europe.

While these old and new factors account in part for France's present difficulties, France cannot be disregarded. She has not the voice in world affairs that she once had but she has a long record of diplomatic achievement to her credit. This, together with her geo-

graphic and historical position in Europe, means that she must be taken into account.

DOMESTIC AFFAIRS

To foreigners generally the most significant domestic feature of post-war France has been the number of governments in power. But this is not unusual. One of the great characteristics of the Third Republic (1871 to 1945) was the frequent changes in government. The Fourth Republic which grew out of the war adopted a new constitution for France, but it contained many of the weaknesses of the old one. There is a President (since January, 1947, a Socialist, Vincent Auriol) elected not by the people directly but by Parliament for a term of seven years. He does not have as much power as the President of the United States but more than the British Queen. Parliament consists of the National Assembly of 627 deputies similar to our House of Commons, and the Council of the Republic or Upper House of 320 members with limited powers similar to those of the British House of Lords. The Cabinet is drawn from the National Assembly or Lower House, as in Canada, and is responsible to it. An important difference between the French and Canadian systems is the number of political parties. In October, 1952, there were twelve major parties and a host of minor ones in France as compared to Canada, where on a Federal level there are at most four parties. The result is that no one party has been strong enough to form a government, i.e., a Cabinet, so all governments have been coalitions of several parties. Experience in most democratic countries has shown that a coalition government is no substitute for a one-party government, except perhaps in times of great national danger like wartime.

Since 1945 there have been eighteen different governments in France (as compared to three in Britain and three in Canada), commencing with General De Gaulle's Provisional Government of 1945 and ending at the time of writing with the government of Premier Laniel, who assumed office June 26, 1953. Laniel became Premier after the longest crisis (that is, the period between the resignation of one Premier and the acceptance of another) in modern French history: Premier Mayer's government had fallen on May 21.

Those accustomed to the Canadian and British form of government might wonder why there were not many elections during the post-war period when there were so many different governments. In our system when a Prime Minister resigns there is generally (but not always) a dissolution of Parliament and a new election. France has a constitutional provision permitting a dissolution only after the first eighteen months of the life of the National Assembly and then only if there are at least two governments defeated within a further eighteen months. But dissolution is optional on the part of the defeated Premier and finally must be approved by the President. This constitutional provision accounts for the limited number of elections, but of even more importance is the fact that it explains, in part, the large number of governments. One of the controls which the government has over the voting of the members in Parliament in the Canadian and British system is the threat of dissolution. If the members wish to defeat the government they must be prepared to run the risk of

losing their seats in an election, as well as bearing the cost of their campaigns. If this were the situation in France the deputies in the National Assembly might not defeat the government so often on trivial matters.

In the period covered by this Bulletin there have been three governments. The important thing for students is the reason why the first two governments were defeated.

The Pinay Government

Premier Pinay took office March 8, 1952 and was defeated on December 23, 1952. His defeat came on the major French domestic problem — the budget. There are six important major parties in the Assembly (the remainder of the twelve mentioned above are wings of the important ones). On the extreme left are the Communists, then come the moderately leftist Socialists, the two center parties called Popular Republicans and Radicals, and finally the moderately rightist Independents and extremely rightist Gaullists. (The terms "left" and "right" are difficult to define. In France the major difference between moderate leftists and moderate rightists lies in their attitude on the amount of economic activity which the government should undertake, but they are agreed on the need for a democratic form of government. The extreme left and the extreme right, on the other hand, both in fact reject democracy in favor of an authoritarian or even totalitarian form of government.) Pinay was an Independent who at first gained the support of the center and right parties. He reduced government spending and borrowed money instead of raising taxes; this at first resulted in a balanced budget and a reduction in prices. But another of the results which soon became apparent was that, for the first time since the war, production failed to increase. By October it became apparent that the government would have to invest money to get production to increase, which in turn, for technical reasons, meant an increase in taxes. Pinay's supporters were in favor of increased government expenditure or investment, but nearly all of them opposed tax increases. When he persisted in his demands for an increase, he was defeated.

The Mayer Government

A new government was formed on January 7, 1953 by Premier Mayer of the Radical Socialist Party. Foreign observers had been suggesting for some time that a revised constitutional system was required in France and finally French leaders themselves began to agree. Mayer made one of the conditions of his acceptance a promise by the Assembly to change the constitution so as to strengthen the Cabinet against the Assembly. One of the ways to do this would be to make it easier to dissolve Parliament. Premier Mayer remained in office until May 21 when he was defeated on one major and two subsidiary issues. He asked the Assembly to live up to the January promise of a change in the constitution to give him more power —this was the major issue. But he was also defeated because of the purposes to which he wanted to apply his increased power. The first was to balance the budget immediately and in the future without constant obstruction from the Assembly, and the second was to approve a European army. The latter point is discussed under foreign policy.

Just prior to the fall of the Mayer Cabinet General de Gaulle announced the dissolution of his own party (Reunion of the French People). Since this party had supported Mayer, this contributed to his defeat. De Gaulle's action was designed to emphasize his belief, shared by many others but not for the same reasons, that the French party system is bad and the cause of much of the trouble. While this is in part true it does not come to grips with the real question: What causes so many parties to come into being? The social and economic differences in France, referred to below, are hard to reconcile and they manifest themselves on the political level in the large number of parties.

The Laniel Government

On June 26 Premier Laniel of the Independent Party formed a government with the support of all the rightist parties. (While de Gaulle had dissolved his Party, the deputies still sat in the Assembly and voted as they had done before so in fact there was little difference.) Initially Laniel gained considerable success. He won the support of the Assembly for increases in the gasoline tax, for a general review of all government expenditures, for constitutional reforms and for his foreign policy. But just as the domestic situation was beginning to settle down the great strike broke out and is still in progress. The strike was in part a protest against his suggestions to reduce government expenditures. If Laniel can weather the strike it is likely that he will remain in office until December when the elections for a new President take place. The Constitution requires that the government must resign at that time.

Economic Problems in France

The economic and financial situation has played a major part in the fall of nearly all the governments since the war. There is no doubt that France suffered tremendously during the war and that economic recovery would be difficult, but there are deeper reasons than this for the difficulties. Even before the war France lagged behind the rest of the world powers in industrial development and in improvements of agricultural methods.

France is in many respects a peasant economy — by that it is meant that most of the farms are small and not capable of using modern farming methods; but in addition there appears to be a basic resentment against the introduction of new methods even where they are possible. As a result more farm workers are required to feed the French population than would be necessary if better methods were used on larger farms. One of the serious political results of this situation is the existence of a large peasant or farm population which generally votes as a bloc against the government whenever it attempts to improve the situation.

What has been said of agriculture also applies to industry. French industrialists have not taken advantage of new techniques with the result that their costs are high and their output limited. In simple terms, a large part of French industry is still operating on nineteenth century standards. After 1946 the United States helped to restore French industry to pre-war levels, but it is a change not a restoration that is required. By 1950 the French had improved the economic

situation, and had outside events not intervened they might have made the required changes. But war broke out in Korea, the world powers began to stockpile raw materials thus driving their prices up out of French reach, and more of the national production and government expenditures had to be diverted to armaments. In this way the gains were lost.

As a result of some of the factors mentioned the governments have found themselves in a difficult position. Income taxes, which have proved in other countries to be one of the best and fairest methods of raising government revenue, are almost impossible to collect in France because of the large agricultural population and because of the general resentment against taxes of any kind. Thus the government has to depend upon indirect taxes (taxes which are not collected directly from the consumer but included in the price of goods purchased), which are often regressive, that is they bear most heavily on the people who can least afford to pay. If the government decides to cut taxes and not to borrow money, it must also reduce expenditures. One of the heavy government expenditures in France is social security—payments for pensions, child welfare, medical expenses and so on. As soon as these are cut the people become resentful and want to change the government. But they become just as resentful if the government tries to raise taxes to meet increasing costs. Borrowing is a substitute for increased taxes but the French have shown a preference for buying goods or gold, or investing their money abroad, rather than lending it to their own government. Any substantial change in government financial policy is almost bound to affect adversely one or more segments or classes of French society, with the result that the party or parties representing the injured groups refuse to support the government in Parliament, and so it falls.

The really surprising thing is that France has done as well as it has under the conditions described. Part of the explanation lies in the high caliber of the Civil Service which carries on during all the changes in government; and part of it lies in the fact that changes in government do not mean drastic changes in policy. Post-war Cabinets have been composed very largely of the same group of political leaders who just assumed different posts within the Cabinet. While the French people generally seem to resist too rapid change they take minor changes and shifts of policy in their stride. There is not, therefore, the panic and confusion which might be expected to result from so many changes in government.

FOREIGN POLICY

France is also a good example of a country whose foreign and domestic policies are very closely related. Changes in domestic policy have a direct effect upon foreign policy, and vice versa. While on the whole post-war foreign policy has been more successful than domestic policy, there have been many difficulties. Many observers of France believe that Frenchmen in general refuse to recognize that France is no longer a first ranking great power and that her foreign policy commitments are dragging her down domestically. Several aspects of her policy have been prominent in the last year and the more important will be discussed briefly.

The French Union

Frenchmen might resent reference to their colonial policy under the heading of foreign policy but it belongs there more than under domestic policy for the simple reason that it has been criticized frequently and openly by representatives of other countries who would hesitate, except in extreme cases, to criticize the French taxation system, or other purely domestic matters.

France is one of the great colonial countries of the world, because in the French Union (the new name given to France and the French Empire after World War II) there are about 114 million people, 42 million in France itself and 72 million in overseas areas. There was a great reformist feeling in France immediately after World War II and attempts were made to improve the position of the people of the overseas areas, not by granting them independence but by making them all "Frenchmen." This was to be done by giving them limited representation in the Union Assembly. But the effort has not been very successful for complex reasons. France benefitted by keeping some of these areas for they provided a good source of raw materials and a good market for surplus goods. But there is a tremendous cost as well, especially in Indo-China and North Africa, because in these areas the people want independence.

French Indo-China

Indo-China is the greatest problem of colonial policy. The underlying causes of discontent go far beyond Communism. Communists there have exploited the desire for independence but if their influence were destroyed the basic causes of unrest would remain. France undoubtedly has always been more concerned with what Indo-China can do for France than with what France can do for Indo-China. The grant of independence by Great Britain to colonial areas in Asia after the war has marked the great difference between the two countries in their colonial policies and has intensified the feeling against France in Indo-China. But this does not deny the fact that Communism there is a threat. The struggle in Indo-China, and especially in Viet Nam, is part of the over-all attempt by Moscow to control Asia. France's problem is how to defeat Communism while at the same time resisting the real and natural desire for independence. Her problem is made greater by the existence in the Viet Minh (Communist) movement of many who are not Communists, but who see in the movement the only hope of gaining independence from France. There have been recent signs that France is beginning to realize that she cannot block the independence movement indefinitely, and the result has been a move to grant the local leaders more autonomy.

In the past year United States economic and military aid (material, not personnel) has been increased but not to the extent that France has wanted. The French have appointed a new military commander, General Henri Navarre, and have increased the number of troops fighting the Communists. (460,000 in October, 1952, of which about 82,000 were French nationals, 130,500 foreign legionnaires and non-Asian troops, and the remainder from Viet Nam.) The first nationwide elections ever held in Viet Nam took place in January, 1953, and gave the pro-French candidates a leading position. The French agreed

to give the native government more control over its own affairs, especially defence and security, in return for which the native government agreed to double its troops fighting the Viet Minh forces.

Indo-China has been a heavy drain on French resources. One-quarter to one-third of the military funds in the 1953 budget will go to defend Indo-China, and France's new officer personnel has been greatly depleted in the fighting. But perhaps the worst effect upon France is that the Indo-China question divides public opinion. Most elements in France probably favor getting out of Indo-China but differ as to how and when it should be done, while a large minority seems determined to stay there regardless of the cost. These differences very often have a serious effect upon other domestic and foreign policy issues.

French Africa—Tunisia and Morocco

France controls several large areas in Africa of which the most important are: French Morocco, Algeria, Tunisia, French West Africa, French Equatorial Africa, French Cameroons, French Somaliland and Madagascar. Of these Tunisia and Morocco have been causing problems for France in the last year. France seized control of Tunisia from the local Muslim rulers in 1881 when the Turkish Empire was beginning to fall apart. It has always been a disputed area between France and Italy because of its strategic location and because of the number of Italian nationals who have settled there. In 1946 there were about 185,000 Frenchmen and 85,000 Italians in Tunisia. After World War II Tunisia became an Associate State in the French Union. While it is nominally ruled by the Bey of Tunis, real authority is vested in the French Foreign Office. It has been the opposition to this situation in the form of demands by native members of the government for independence which has caused the trouble. Since the majority of the native peoples are Muslims, Pakistan and the Arab states have tried to bring the differences between France and the native government before the Security Council of the United Nations. After two efforts in this direction had failed early in 1952, the same states and the United States brought the dispute before the General Assembly in October, 1952. (In general, more serious matters which might lead to armed conflict are handled by the Security Council whereas the General Assembly deals with more general questions.) On December 17, 1952, the Assembly decided, in effect, not to interfere in the dispute but it did recommend that France and Tunisia should try to settle their problems between themselves based on the principle of independence for Tunisia in the near future. France with the support of the United Kingdom has opposed the right of the United Nations to interfere in the trouble. During the first half of 1953 there have been no signs of a reduction of the tension and no diminution of the demands for independence. This is one of the issues which has caused serious differences between the United States on the one hand, and the United Kingdom and France on the other.

Morocco presents the same kind of problem as Tunisia. It became a French protectorate in 1912 and after World War II was included in the French Union. Nominally it is ruled by the local Sultan, but in fact the French governor general is in charge. The year 1952 marked

the worst period of unrest in Morocco; nationalist demands for independence were met by repressive military measures and offers of minor political concessions. This matter, too, was taken before the General Assembly of the United Nations by the Asian-Arab group, but efforts to secure intervention failed.

The French colonial scene is not a very happy one. Movements for national independence conflict with French economic, strategic and prestige interests in these areas and the "family" struggles have a bad effect on France's world position. But the solution to the problem is not a simple one because most of the areas are not yet ready for self-government. Thus some compromise has to be worked out between immediate independence and the existing state of affairs. The Asian-Arab countries, however, have shown no willingness to compromise on independence questions and finally, to complicate matters still more, there is divided opinion in France itself on these questions which is reflected in the constant crises in government.

Europe—French Fear of a Revived Germany

Despite the seriousness of her colonial problems, France's great foreign policy problems arise in Europe. France has been invaded three times by Germany in the life-time of some of her people—1871, 1914, 1939. For this reason the main question in French European policy has been how to keep Germany weak and France strong. During the earlier years of the period between World War I and World War II France made many different efforts to weaken Germany but she came into conflict with Britain over this policy. The failure of her efforts accounted in part for the internal weakening of France to the point that when Hitler became a real threat France could do nothing about it. Thus at the end of World War II the French did not want a repetition of the pre-war years. They were doubtful of securing British help against Germany, so even before the end of the war they turned to the Soviet Union.

A strong Communist movement has grown up in France and since the war the Communist Party has been the largest single party in France. Many who have voted for it have done so not because they are Communists but because in the post-war period they have feared Germany, and because in the later part of the period they have resented the power of the United States. The Communists in France at first worked with other left-wing parties, but late in 1946 and early in 1947 they changed their policy to one of attempting to seize power by provoking strikes and riots. Just at that time the economic situation in France and the rest of Europe was serious. The United States, because of their desire to help Europe economically, made their famous Marshall Plan proposal in June, 1947. The Soviet Union refused to participate in the European Recovery Program and prevented the satellite countries of Eastern Europe from participating in it. At the same time the Communist Party in France agitated against it.

A "European Defence Community"

While the French still feared Germany, they began to realize that she was weakened by the war and the post-war settlements. But

here was the Soviet Union, attempting not to aid France but to dominate France and bring her under the same sort of control exercised over the countries of Eastern Europe. The result for France, a result which some Frenchmen have never accepted in any sense and which still more have accepted only with doubts and reservations, was that they were forced to enter a Western defensive alliance against the Soviet Union. France had hesitated because this meant, sooner or later, the inclusion of Germany. A Europe in which Germany was allied with the Soviet Union would mean the end of France and yet alliance with Germany so soon after the German occupation was almost as harsh a fact for many Frenchmen to accept.

Once France accepted the idea of a Western alliance she set to work to devise a system in which Germany would play a part, but never a predominant part. Britain, despite French hopes, refused to link herself too closely with Europe so France decided to act without Britain although she left the door open for British participation. French thinking up to this point was based on a disarmed Germany, but this was suddenly changed when in the summer of 1950 the United States insisted upon the re-arming of Western Germany. After the United States made it clear that it would refuse to send further military aid to Europe unless Germany was re-armed, France began to work out a plan for a European Defence Community and a European Army to include German troops in such small contingents and only under such rigid control that they could not be withdrawn and used against France. France also worked for the long-run goal of a Federal Europe in which France would have an equal, or, if possible, greater, voice than Germany. Another immediate result for France was greater dependence on United States aid, and the United States took advantage of this, on occasion, to force its opinion upon France.

Opposition to the new alignment comes from three major groups in France but these groups are not united on other issues. The Communist Party opposes any co-operation with the United States but does not follow a consistent policy regarding Germany because it must follow the Soviet policy, which changes frequently. The extreme right-wing elements led by de Gaulle are also opposed to the influence of the United States, but they equally distrust Germany and the Soviet Union. Finally, many Frenchmen are "neutralists", which superficially seems to align them with the de Gaullists. But whereas de Gaulle wants a strong France capable of exercising a vital military role on her own, the "neutralists" think France should stay out of all European quarrels — a sort of "heads-in-the-sand" policy.

The Saar

The French-German differences reach their highest point over the Saar, which is a region on the frontier between France and Germany just south of Luxembourg. It is one of the most densely populated and richest coal and steel areas in Europe (961 square miles with a predominantly German population of about 960,000). Control over the Saar has passed back and forth between Germany and France several times. After World War II France occupied it and was given control of its mines for reparations. Before Germany became necessary to the Western Alliance there was little that she could do about

the Saar, but since 1950 she has bitterly opposed French domination. The future of the Saar was to have been determined by a peace conference, but differences between the Soviet Union and the West over Germany have delayed the conference. France has taken advantage of the delay to tie the Saar more closely to France, economically and financially. Politically the Saar has a sort of temporary independence. The people of the Saar, despite their German origins, seemed at first to favor closer relations with France, but as Germany became stronger there were signs of a change in attitude. The great prize in the Saar is the coal and steel output, and many observers feel that French-German relations will never be settled until the Saar question is settled.

French Politics and the European Problem

The period under discussion in this Bulletin has shown no drastic change in policy. One of the reasons is that since 1946 the foreign policy of France has been guided in every government by one of two men, Georges Bidault or Robert Schuman. Both of these men are leaders of the moderately leftist and Catholic group, *Mouvement Republicain Populaire*. This Party is committed to the idea of European integration. The most noticeable feature of the period has been the growing reluctance of France to enter the European Defence Community with Germany. Despite guarantees given to France by the United States and Britain in May, 1952, that they would aid France if she were threatened by Germany, the French Assembly has refused to approve ratification of the treaty creating the European Army and Defence Community. General de Gaulle has always opposed the plan, but new opposition came in October, 1952, from Edouard Herriot, leader of the Radical Socialist Party. Herriot contended that a Community which included West Germany but not Britain would give Germany too much power relative to France.

In January, 1953, Premier Mayer gained the support of the Assembly only after he had promised not to agree to a European Army until after an agreement had been reached with Germany on the Saar. Negotiations were re-opened with Chancellor Adenauer of West Germany with the purpose of securing his approval for certain reservations to the French acceptance of the Defence Community and Army. Adenauer tentatively accepted the idea of reservations on January 12, but said that they could only be finally accepted after the Treaty had been approved by France and Germany. In the following months Adenauer pushed the Treaty through the West German Parliament until it was finally accepted on May 15. Meanwhile, in France, de Gaulle continued his violent agitation against the European Army and it appeared that many others were coming to accept his views. United States pressure on France to accept the Treaty had the opposite of the desired effect. Many observers stated that because of the pressure United States relations with France reached their lowest point since World War II. On May 21 the Mayer government fell.

The new Laniel government, with Bidault as Foreign Minister, has made little change in the situation. The greatest stumbling block seems to stem from France's poor economic position. The idea of a Defence Community and even a Federal Union which would include Germany was acceptable to a majority in France in 1950 and 1951

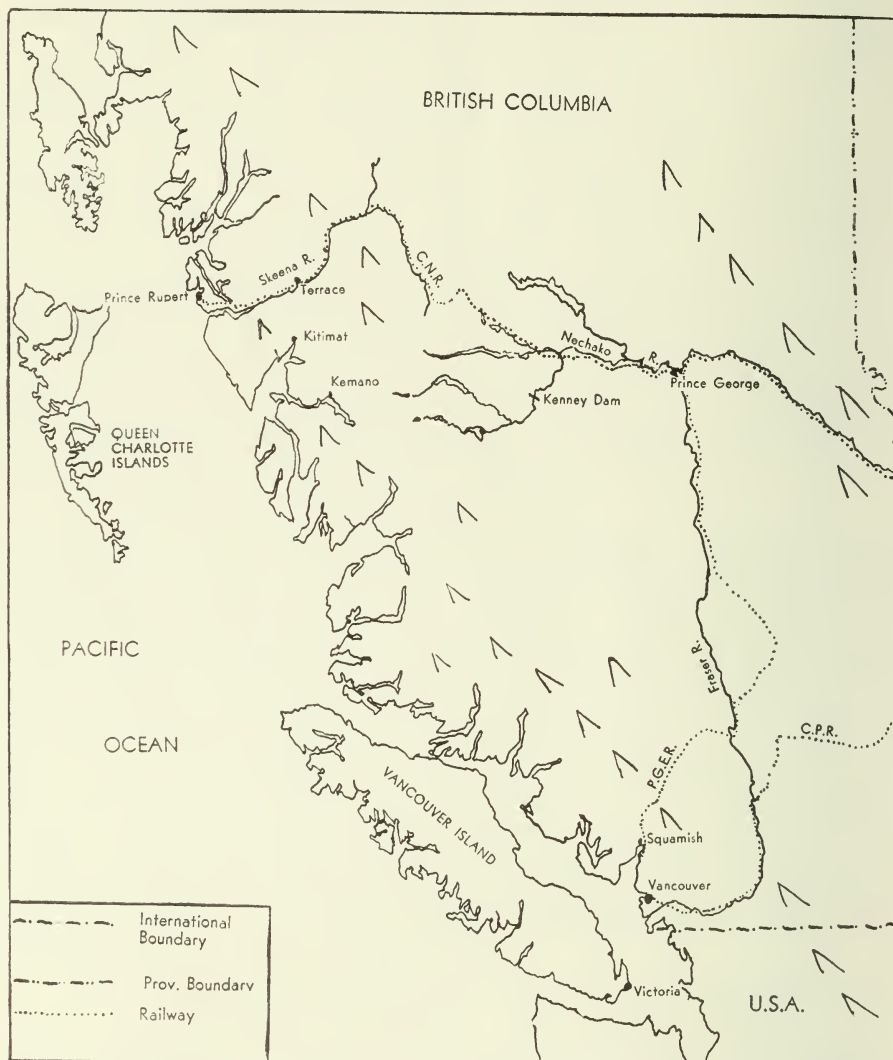
because France then appeared to be economically stronger than Germany. But in 1952-53 the French economy has faltered while the West German economy has recovered rapidly. Frenchmen of all parties have begun to doubt the wisdom of any alliance of a strong Germany and a weak France. This explains why the Saar is so vital and why the French are rapidly binding the Saar to France. It also accounts, in part, for the different attitudes of France and the United States towards Soviet peace overtures. France argues that if agreement can be reached with the Soviet Union it will not be necessary to re-arm Germany. She does not feel that the United States is making enough effort to come to an agreement with the Soviet Union. While this latter attitude may be more that of the people than of the government leaders, it is impossible to disregard it in an evaluation of French policy.

B—RECENT CANADIAN INDUSTRIAL DEVELOPMENTS

CHAPTER VI

KITIMAT—ALUMINUM CAPITAL

The largest single aluminum project ever to be undertaken is presently being developed in the Kitimat area of British Columbia. The enormity of its size can only be appreciated when we compare it with the size and output of existing plants. Its output of electricity in horsepower will be 1,650,000, equal to the combined production of Uncle Sam's big Bonneville, Shasta, and Wilson Dams. In aluminum output, the Kitimat plant will have an ultimate annual capacity of



LOCATION MAP—BRITISH COLUMBIA'S ALUMINUM CENTER

550,000 tons. The total Canadian output in 1951 was only 446,000 tons; the total output in the United States during the same year was 836,000 tons. Thus Kitimat alone will produce 65 per cent as much aluminum as is produced by all the plants in the United States. Even when Kitimat begins production in 1954 it will smelt 84,000 tons of aluminum, 4,000 tons more than the entire annual Canadian need. By 1955 aluminum production at Kitimat will be stepped up to 155,000 tons. The ultimate cost of this giant project is expected to reach \$550,000,000.

The Kitimat project is unique, not only in its size, but also in the nature of its construction. To begin with, the enormous water reservoir which will provide the power to turn the huge turbines will be 2,800 feet above sea level. In order to create that reservoir engineers had to perform a feat of ingenuity. High up in the Coast Range Mountains lie the British Columbia lakes of Tahtsa, Eutsuk, Intata, Ootsa, Tetachuk, and Whitesail. These lakes, until recently, fed the Nechako River which flowed eastward for 184 miles to join the Fraser. In order to create the required water reservoir engineers sealed off the Nechako River at a point where it is precariously balanced, so that the watershed flow of the Nechako River has been diverted from an eastward to a westward direction. This dam (known as the Kenney Dam after a former Minister of Lands and Forests of British Columbia) will cause the water to back up against the mountains and create a reservoir of water 358 square miles in area and 873 billion cubic feet in volume. The Nechako River has thus vanished from British Columbia's landscape.

The Kitimat development is unique in yet another way. The drop of water through the penstocks (this is known as the "head") will be almost half a mile—2,580 feet, to be exact. This is significant when we consider that the drop at Niagara is only 165 feet. At Shipshaw in Quebec the drop is 208 feet, and at Grand Coulee it is 350 feet. Added to this fact is the feat of engineers in bringing the water by way of a ten-mile tunnel, 25 feet in diameter, through Portal Mountain. Also through Portal Mountain engineers will punch two sloping penstocks; these will be 14 feet in diameter. A quarter of a mile inside the mountain a huge powerhouse will be built. The powerhouse chamber, hacked out of the granite in Portal Mountain, will be 100 feet high, 80 feet wide, and 700 feet long. (It will ultimately be 1,100 feet in length.)

It should be borne in mind that the hydro-electric power produced at the foot of Portal Mountain is not at Kitimat, but at Kemano. There is a forty-eight mile gap between Kitimat and Kemano. The terrain at Kemano is too rugged to permit the construction of a smelter and a town for those connected with the work of aluminum production. The Aluminum Company of Canada (the promoter of both the Kitimat power development and the aluminum smelter) will thus build transmission lines to Kitimat, where the smelter will be located. Both Kemano and Kitimat lie at sea level; between them there is a mountainous area. The transmission line will rise to a height of 5,300 feet at Kildala, then descend again to Kitimat. The power cable which will link Kemano and Kitimat will be $2\frac{1}{4}$ inches in diameter. Enough power will be lost in the transmission of electricity to supply the whole city of Edmonton.

The story of Kitimat is not complete without a review of the growth of the village itself. Kitimat lies at the end of an ocean inlet, 80 miles

from the Pacific Ocean and 430 navigable miles from Vancouver. When work on the aluminum project was started in April, 1951, Kitimat was inhabited by 350 people. By 1954 it is expected to become an industrial community of 7,500 people, the eighth largest urban center in British Columbia. Eventually it will become a city of 50,000 inhabitants, the third largest city in the province.

The new city will have to be hewn out of a wild region of hemlock, balsam, and spruce trees, some of which are 250 feet high. It will also have to brace itself against the severity of its weather (in 1951 it had 65 inches of rain and 25 feet of snow). To meet the threat of the elements, town-planners are planning for buildings with overhanging roofs. To guard against congestion on the streets an elaborate system of roads, walks, and tunnels is planned. There will be a city center in the business section, but offices for tax, water, and light fee collection will be scattered throughout the residential areas for the convenience of residents. Businesses catering to the daily needs of the people will also be established throughout the various neighborhoods; these will include laundries, food and hardware stores, refreshment centers, barber and beauty shops, and shoe repair shops. Primary schools will not be more than one-quarter of a mile away from the homes and secondary schools will not be more than half a mile away at the most. The town-planner who has been engaged to direct building operations is Clarence S. Stein.

Transportation facilities to Kitimat are being provided too. Soon after the work on the Alcan (Aluminum Company of Canada) project got under way, the "Princess Norah" of the Canadian Pacific Lines began to make both Kitimat and Kemano regular ports of call. This service is certain to increase greatly when the aluminum smelter goes into production, since the raw material (bauxite) will be imported from Jamaica and the finished product will have to be shipped to outside markets. Transportation by rail will be made available by the Canadian National Railways. A line is presently being built to Kitimat from Terrace, British Columbia. It will be 46 miles in length and will cost \$10,000,000. Air transportation on a limited scale is at present provided by Central B.C. Airways. It has established runs from Vancouver to both Kitimat and Kemano. Canadian Pacific Airlines is presently planning an Edmonton-Prince George-Terrace flight. The nearest regular airport to Kemano and Kitimat is at Terrace.

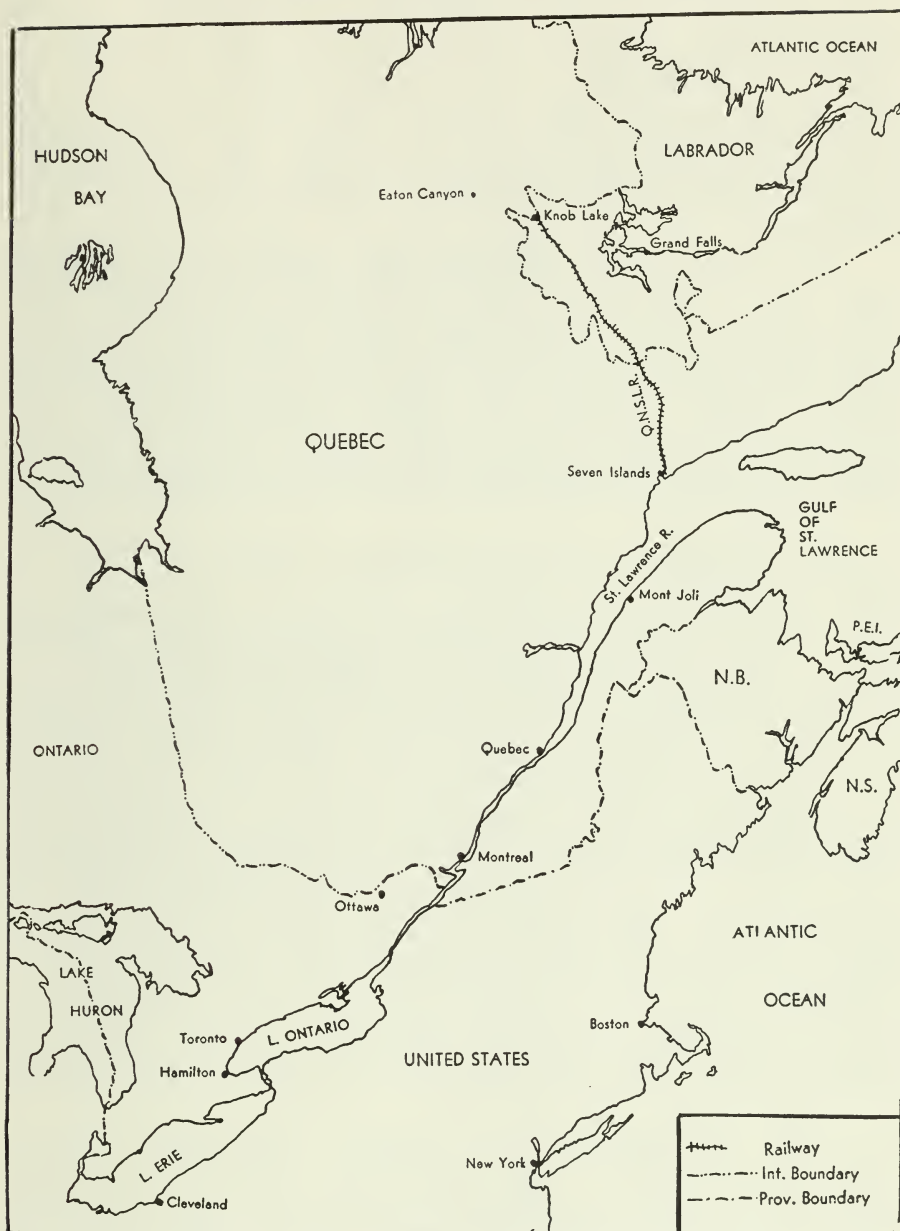
Thus will begin in 1954 the operation of a plant that will multiply the output of Canadian aluminum several fold. It will be turned out at a power cost of one cent per pound. Power costs per pound at other plants vary from 1¼ cents to 3¼ cents. This lower power cost should reduce the cost of output sufficiently to put Canadian aluminum in a favorable price position on foreign markets. Since the successful operation of the Kitimat plant will depend on outside markets, favorable selling prices will mean a great deal.

CHAPTER VII

IRON IN UNGAVA

Another great industry is budding in a Canadian wilderness. It is the iron ore development along the border of Quebec and Lab-

LOCATION MAP—CANADA'S NEW IRON FIELD



AIR DISTANCES

Mont Joli to Knob Lake	435 miles
Mont Joli to Seven Islands	140 miles
Seven Islands to Knob Lake	320 miles
Montreal to Knob Lake	715 miles

radar. Two-thirds of the iron deposits are said to be in Quebec and the remaining third on the Labrador side of the border. The new iron development is part of a series that began with the revival of an old mine in Michipicoten, north-east of Lake Superior, in 1939. In 1945 enormous deposits of iron ore were discovered beneath the waters of Steep Rock Lake in Ontario. The lake had to be drained before mining operations could be undertaken. Now, with the addition of the Ungava deposits Canada is expected to change from a country dependent on outside sources for iron to an important ore-exporting nation.

Heretofore, the most important iron deposits on this continent were those of the Mesabi Range in Minnesota. The Mesabi ore is very similar to that of the Quebec-Labrador deposits, but it is from one hundred to two hundred feet underground, while the newly-discovered deposits lie near the surface. This fact will make low-cost mining possible. Moreover, the deposits are usually from one-half mile to a mile in length, a thousand feet or so in width on the average, and from two hundred to three hundred feet in thickness. Forty-two mines containing \$4,000,000,000 in iron have been established. The ore is of high grade.

The development of the iron deposits in Ungava calls for three distinct projects:

1. The building of a railway from Seven Islands, Quebec (the base of operations on the St. Lawrence) to Knob Lake, the center of the ore deposits — a distance of 358 miles.
2. The building of a power project to provide power for mining operations.
3. The building of a town to accommodate the workers engaged in the development of the ore.

In order to exploit the new iron resources, capital, experience with iron, and markets for the ore had to be assured. A number of United States companies including M. A. Hanna, Armco, National, Republic, Wheeling, and Youngstown together formed the Iron Ore Company of Canada. This company is now promoting and directing operations in the new iron fields. It has formed three subsidiary companies, Hollinger Ungava Transport Limited (an airline which brings required materials to the scene of operations by air), the Quebec North Shore and Labrador Railway Company which will build and maintain the required railroad, and the Ungava Power Company which will build the required power facilities.

About 6,000 employees are working on the project. Many of these are building the railroad. The railway will follow the "natural grain" of the country in order to facilitate construction. Parts of it pass through a region of lakes and rivers so that engineers are having difficulty in finding "land" on which to lay the rails. It will run through Newfoundland territory for about 205 miles. One tunnel, 2,250 feet in length, will be required. Two bridges are necessary also, one across the Moisie River and the other across the Hamilton.

Diesel locomotives will be used to operate the trains. Each train will consist of about 100 cars and will carry 10,000 long tons of

ore. It will take four 1,600 horsepower locomotives to pull each train.

Hydro-electric power installations will have to be provided in two areas, one at Seven Islands and the other at the mines. Power for Seven Islands will be furnished by a development on the Ste. Maraverite River, just 20 miles to the west. To provide power for the mines, the Ungava Power Company will develop a power site at Menihék Lake. Two 5,000 horsepower units will be installed there. Power can also be produced at Eaton Canyon on the Kaniapiskau River in Quebec, about 70 miles north-west of Burnt Lake, and at Grand Falls, one of the greatest potential power sites in the world, about 140 miles south-east of Burnt Lake.

Several hundred workers are busy in the mining area. A town is presently being built to house these workers. It will become large enough to take care of a thousand workers and their families (three thousand people altogether) in the not-too-distant future. The new town, which will be known as Knob Lake, will have to depend on imported food for its rations. Although Knob Lake's temperature is not to be described as extreme (at times the temperature rises above 32°F in mid-winter), July is the only month in which frost does not occur.

At the other end of the railway at Seven Islands (Sept Iles in French) a boom is in progress. The town until 1950 was a small Canadian fishing village. It is one of the oldest towns in North America, its bay having been noted by Jacques Cartier in 1535. The first Jesuit missionary arrived there over 300 years ago. In 1950 Seven Islands had no hotel, no movies, very few business establishments and even no electric lights. Its population was about 1,600. Since then the population has risen to 2,500; it is said that only two of these are still fishermen. The town now has three hotels, a theater, a night club, and a yacht club. It has been incorporated and is holding conferences with provincial authorities on better town planning. A government wharf and iron-ore loading docks are under construction. Seven Islands is also an air terminus for the air-lift to Knob Lake.

And thus the iron ore in Ungava is rapidly nearing the production stage. One million dollars a week is being paid in wages on a project whose ultimate cost estimates variably set at between \$200,000,000 and \$300,000,000. Production will begin in 1954, probably with an output of 2,500,000 tons, possibly 5,000,000 tons. This will be stepped up to 10,000,000 tons a year later, and may eventually reach an annual tonnage of 20,000,000. Since there is no market for such large quantities of ore in Canada, much of it will go to such centers as Pittsburgh, Cleveland, and Youngstown in the United States. Thus Canada's economy will profit. It will also enhance the common defence effort since the deposits of the Mesabi Range are dwindling. Eventually the Ungava ore may even find its way to blast furnaces in Europe.

More recently, claims of enormous deposits of lower grade ore 300 miles north of the Knob Lake mines have been made. If these deposits are proven, Canada's position as an iron ore producer will be further improved. Moreover, these deposits would not pose a

difficult problem of transportation since they are near shore and the ore could be transported by boat. In any event, it appears that production of the newly found ore will not be seriously attempted until the Knob Lake mines are in full operation. Even with only the established deposits, Canada's total production of iron ore is expected to reach 20,000,000 tons by 1956, nearly four times the present output. By 1965, according to recent estimates, Canada's total production of iron ore should reach 40,000,000 tons. In the near future, Canadian exports of iron ore are expected to reach 15,000,000 tons from a little more than 3,000,000 tons at present. These figures are significant when we consider that not long ago Canada's position as to iron ore was that of a dependency.

The construction of the St. Lawrence Seaway will greatly facilitate the shipment of Canada's iron ore to centers in the United States. If the latter should prove to be an entirely Canadian undertaking, Canada is certain to profit doubly from the shipment of ore from the new mines to the United States. Also, the seaway will provide the badly needed power for growing industries in that region.

APPENDIX

PROMINENT POLITICAL LEADERS IN CANADA

FEDERAL CABINET MINISTERS

Rt. Hon. L. S. St. Laurent	Prime Minister and President of the Privy Council
Rt. Hon. C. D. Howe	Minister of Trade and Commerce and Minister of Defence Production
Rt. Hon. J. G. Gardiner	Minister of Agriculture
Hon. B. Claxton	Minister of National Defence
Hon. L. Chevrier	Minister of Transport
Hon. P. J. J. Martin	Minister of National Health and Welfare
Hon. ~~D. C. Abbott~~	Minister of Finance and Receiver General
Hon. J. J. McCann	Minister of National Revenue
Hon. W. McL. Robertson	Leader of the Government in the Senate
Hon. M. F. Gregg	Minister of Labor
Hon. L. B. Pearson	Secretary of State for External Affairs
Hon. S. S. Garson	Minister of Justice and Attorney General
Hon. Jean Lesage	Minister of Resources and Development
Hon. E. Lapointe	Minister of Veterans Affairs
Hon. ~~W. E. Harris~~	Minister of Citizenship and Immigration
Hon. G. Prudham	Minister of Mines and Technical Surveys
Hon. A. Cote	Postmaster General
Hon. J. Sinclair	Minister of Fisheries
Hon. R. O. Campney	Solicitor General and Associate Minister of National Defence
Hon. J. W. Pickersgill	Secretary of State
Hon. R. H. Winters	Minister of Public Works

LEADERS OF POLITICAL PARTIES IN THE HOUSE OF COMMONS

Rt. Hon. L. S. St. Laurent	Liberal; Prime Minister
Hon. G. Drew	Progressive Conservative; Leader of Her Majesty's Opposition
Hon. M. J. Coldwell	Co-operative Commonwealth Federation
Hon. S. E. Low	Social Credit

MEMBERS OF THE LEGISLATIVE ASSEMBLY—PROVINCE OF ALBERTA

September, 1953

CONSTITUENCY	NAME
Acadia-Coronation	Gerhart, C. E.
Alexandra	Aalborg, A. O.
Athabasca	Aloisio, Antonio
Banff-Cochrane	Leavitt, Lee
Bonnyville	Joly, Laudas
Bow Valley-Empress	Cain, W. E.
Bruce	Hardy, Earl M.
Calgary	Brecken, Paul
	Colborne, F. C.
	Dixon, A. J.
	Macdonald, H. B.
	MacDonald, H. J.
	Wilkinson, Mrs. Rose
Camrose	Sayers, Chester I.
Cardston	Hinman, E. W.
Clover Bar	Baker, F. M.
Cypress	Underdahl, James
Didsbury	Hammell, H. G.
Drumheller	Taylor, Gordon
Edmonton	Gerhart, Edgar
	Manning, E. C.
	Page, J. Percy
	Prowse, J. Harper
	Roper, Elmer E.
	Ross, Dr. J. D.
	Tanner, Harold E.
Edson	Willmore, N. A.
Gleichen	Bell, G. E.
Grande Prairie	McLaughlin, Ira
Grouard	Defosses, J. R.
Hand Hills	Cross, Dr. W. W.
Lacombe	Patrick, A. R.
Lac La Biche	Lobay, Harry
Lac Ste. Anne	Montemurro, A. M.
Leduc	Ansley, E. R.
Lethbridge	Landeryou, J. C.
Little Bow	Dawson, Peter
Macleod	Hartley, James
Medicine Hat	Robinson, Dr. J. L.
Okotoks-High River	Casey, Ivan
Olds	Niddrie, F. J.
Peace River	Gilliland, W. F.
Pembina	Jorgenson, R. D.
Pincher Creek-Crow's Nest	Kovach, Wm.
Ponoka	Johnston, G. F.
Red Deer	Ure, D. A.
Redwater	Chaba, Peter
✓ Rocky Mountain House	Hooke, A. J.

CONSTITUENCY	NAME
Sedgewick	Hillman, J. C.
Spirit River	Fimrite, A.
St. Albert	Maynard, Lucien
Stettler	Clark, J. E.
Stony Plain	Wood, Mrs. C. R.
St. Paul	Reierson, Raymond
Taber	Lee, Roy
Vegreville	Ponich, Michael
Vermilion	Cornish, W. R.
Wainwright	Masson, Wm.
Warner	Halmrast, L. C.
Wetaskiwin	Wingblade, J. A.
Willingdon	Dushenski, N. W.

ALBERTA CABINET MINISTERS

Hon. E. C. Manning	Premier, Provincial Treasurer and Minister of Mines and Minerals
Hon. W. W. Cross	Minister of Health
Hon. L. Maynard	Attorney General
Hon. A. J. Hooke	Minister of Economic Affairs and Minister of Public Works
Hon. C. E. Gerhart	Minister of Municipal Affairs and Provincial Secretary
Hon. I. Casey	Minister of Lands and Forests
~~Hon. J. L. Robinson~~	~~Minister of Industries and Labor~~
~~Hon. D. A. Ure~~	~~Minister of Agriculture~~
Hon. G. E. Taylor	Minister of Railways and Telephones and Minister of Highways
Hon. A. O. Aalborg	Minister of Education
Hon. L. C. Halmrast	Minister of Public Welfare.

The Clerk of the Legislative Council is R. A. Andison

PROVINCIAL PREMIERS AND GOVERNMENTS

Newfoundland—J. R. Smallwood—Liberal Government elected 1951
Prince Edward Island—A. W. Matheson—Liberal Government elected 1951
Nova Scotia—A. L. MacDonald—Liberal Government elected 1953
New Brunswick—H. J. Fleming—Progressive Conservative Government elected 1952.
Quebec—M. L. Duplessis—Union Nationale Government elected 1952
Ontario—L. M. Frost—Progressive Conservative Government elected 1951
Manitoba—D. L. Campbell—Liberal-Progressive Government elected 1953
Saskatchewan—T. C. Douglas—Co-operative Commonwealth Federation Government elected 1952
Alberta—E. C. Manning—Social Credit Government elected 1952.
British Columbia—W. A. C. Bennett—Social Credit Government elected 1953.

PROMINENT POLITICAL LEADERS IN OTHER COUNTRIES

United Kingdom

Prime Minister
Foreign Secretary
Chancellor of the Exchequer

Sir Winston Churchill
Anthony Eden
Richard A. Butler

United States of America

President
Secretary of State

Dwight D. Eisenhower
John Foster Dulles

Union of Soviet Socialist Republics

President
Premier
Foreign Minister

K. E. Voroshilov
Georgi L. Malenkov
V. M. Molotov

France

President
Premier
Foreign Minister

^{COTE}
Vincent Auriol
Joseph Laniel
Georges Bidault

Australia

Prime Minister
Minister of External Affairs

R. G. Menzies
Richard Casey

China (Communist Government)

Leader of the Chinese Communist Party
Premier and Foreign Minister

Mao Tse-tung
Chou En-lai

China (Nationalist Government)

President
Premier
Foreign Minister

Chiang Kai-shek
Chen Cheng
Dr. George K. C. Yeh

Eire

President
Premier
Minister of External Affairs

Sean T. O'Kelly
Eamon de Valera
Frank Aiken

India

President
Prime Minister and Minister
of External Affairs

Dr. Rajendra Prasad
Jawaharlal Nehru

Italy

President
Premier and Foreign Minister

Luigi Einaudi
Giuseppe Pella

Japan

Premier
Foreign Minister

Shigeru Yoshida
Katsuo Okazaki

New Zealand

Premier
Minister of External Affairs

S. G. Holland
T. C. Webb

Pakistan

Prime Minister
Minister of Foreign Affairs

Mohammed Ali
Sir Zafrullah Khan

EAST GERMANY
(CHANCELLOR) PRESIDENT.

PIECK

PROMINENT POLITICAL LEADERS IN OTHER COUNTRIES

Union of South Africa

Prime Minister and Minister
of Foreign Affairs

Steijnboorn
~~Dr. Daniel F. Malan~~

Western Germany

President
Chancellor and Foreign Minister

Dr. Theodor Heuss
Dr. Konrad Adenauer

Yugoslavia

President

Marshal Tito

THE SIXTY MEMBER NATIONS OF THE U. N.

The Big Five

United Kingdom; U.S.A.; U.S.S.R.; France; China

Afghanistan	Ethiopia	Norway
Argentina	Greece	Pakistan
Australia	Guatemala	Panama
Belgium	Haiti	Paraguay
Bolivia	Honduras	Peru
Brazil	Iceland	Philippines
Burma	India	Poland
Byelorussia S.S.R.	Indonesia	Saudi Arabia
Canada	Iran	Sweden
Chile	Iraq	Syria
Colombia	Israel	Thailand
Costa Rica	Lebanon	Turkey
Cuba	Liberia	Ukrainian S.S.R.
Czechoslovakia	Luxembourg	Union of South Africa
Denmark	Mexico	Uruguay
Dominican Republic	Netherlands	Venezuela
Ecuador	New Zealand	Yemen
Egypt	Nicaragua	Yugoslavia
El Salvador		

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